

How to improve my credit and FICO score.



3 Important Things You Can Do Right Now

- ✓ Request a *free* copy of your credit report
 - Check for errors
 - Late payments incorrectly listed
 - Amount owed on account is correct
- ✓ Setup Payment Reminders
 - You can setup an email or text message reminding you when payment is due.
 - Enroll in automatic payments through your bank or credit card.
- ✓ Reduce the Amount of Debt You Owe
 - Stop using your credit cards
 - Determine which accounts charge the highest interest
 - Develop a payment plan that puts most of your available budget for debit payments towards the highest interest cards first.



How to Fix and Maintain Good Credit

- *Pay your Bills on time* – Delinquent payments, even if only a few days late, can have a major negative impact on your FICO score.
- *If you have missed payments, get current and stay current.* – The longer your pay your bills on time after being late, the more your FICO score should increase.
- *If you are having trouble making ends meet, contact your creditors* – This will not rebuild your credit score immediately, but if you can begin to manage your credit and pay on time, your score should increase over time.



Amount Owed Tips

- **Keep balances low on credit cards and other “revolving credit”** – high balances can affect a credit score
- **Pay off debt rather than move it to another card** – Pay down your revolving (credit card) debt. Owning the same amount but having more open accounts may lower your score
- **Don’t close unused credit cards as a short-term strategy to raise your score.**
- **Don’t open a number of new credit cards that you don’t need, just to increase your available credit.** – this could actually lower your score.

Length of Credit History Tip

- If you have been managing credit for a short time, don't open a lot of new accounts too rapidly – New accounts will lower your average account age, which will have a larger effect on your score if you don't have a lot of other credit information. Also, rapid account buildup can look risky if you are a new credit user.



New Credit Tips

- **Do your rate shopping for a given loan within a focused period of time.** – FICO scores distinguish between a search for a single loan and a search for many new credit lines, in part by the length of time over which inquiries occur.
- **Re-establish your credit history if you have had problems** – Opening new accounts responsibly and paying them off on time will raise your credit score in the long term.
- **Note that it's OK to request and check your own credit report** – This won't affect your score, as long as you order your credit report directly from the credit reporting agency or through an organization authorized to provide credit reports to consumers.

Types of Credit Use Tips

- **Apply for and open new credit accounts only as needed** – Don't open accounts just to have a better credit mix – it probably won't raise your credit score.
- **Have credit cards – but manage them responsibly** – In general, having credit cards and installment loans (and paying timely payments) will rebuild your credit score. Someone with no credit cards, for example, tends to be higher risk than someone who has managed credit cards responsibly.
- **Note that closing an account doesn't make it go away** – A closed account will still show up on your credit report, and may be considered by the score.