



8 Tips to Improve Your Credit Score

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The first step to improving your credit score is to obtain a current copy of your credit report. Once you have something to work from, you'll know where you stand and you can take action to improve your credit and raise your score.

There are many systems and companies out there that'll advertise a "free" credit report, only to enroll you into other paid programs or recurring memberships. These paid programs may benefit you, but read the fine print to ensure you're getting only what you need.

Here are some tips and techniques that can help you raise your credit score:

- 1. Keep some unused accounts open.** Closing unused accounts is a common myth when it comes to improving your credit score. In fact, closing accounts can actually hurt your score. Why? Because a part of your score is calculated by determining how much debt you have versus how much available credit you have.
 - *If you close out your available credit, your debt becomes a larger percentage of the credit available to you and may lower your score.*
- 2. Spread out your debts.** You can improve your score by spreading your debt among credit cards even if your debt remains exactly the same. This is because *a credit card that's almost maxed out is more likely to be detrimental to your score.* Consider transferring that balance to one or more other credit card accounts.
- 3. Pay on time.** This is an obvious tip, but one that's still worth mentioning. Make sure you pay all of your accounts on time. *Even one slip up may affect your score.*

- If you have trouble remembering to pay on time, consider setting up some kind of reminder. You can even set your accounts to automatic bill payment through your banking service.
- 4. Avoid applying for too many cards.** Your score can be affected if you fill out too many credit applications over a short period of time. While you can acquire multiple cards over time, it's just not a good idea to sign up for too many of them at once. This makes you look desperate for any kind of credit.
 - 5. Watch out for scams.** It's so easy to fall victim to a scam these days. Some scammers are so creative and seem so trustworthy that even the smartest people can be drawn into their scams. If you want help with debt consolidation, consider contacting the government. Don't trust any independent company without lengthy research.
 - 6. Use credit occasionally.** Even if you prefer to use cash, you should still ***have at least one credit card account*** that you use *occasionally*. When it comes time to use credit, ***no credit can be just as detrimental as bad credit***. Chances are you'll want some good credit eventually, especially when it comes time to purchase cars or homes.
 - 7. Be truthful and accurate.** Don't falsify any information when it comes to checking or applying for credit. Also, double check your applications for any mistakes you may have made. Any misstatements will very likely be caught, so it's not worth the risk.
 - 8. Check your score each year.** You can check your credit score once per year without any penalty. Take the time to ***stay on top of your credit***. It's such a huge part of your life - whether you like it or not - and it deserves your attention. With regular checks, you'll be the first to know if there's something that needs to be taken care of.

Improving your credit score can save you a lot of money, time, and frustration. Get in the habit of using these strategies and you'll see that score going up as time goes on.