



Take control of your credit score

A guide to understanding and
improving your credit.

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What is a credit score?

Your credit score is a number between 300 and 850, assigned to you by a credit bureau, that helps lenders decide how creditworthy you are — the higher the score, the lower the risk. Because credit can affect many important aspects of your life, getting and keeping your score as high as possible is vitally important. Armed with the following information, boosting this important number will be easier than you may think.



How is your score determined?

The most common used scoring system for credit scores is developed by FICO™ bureaus use this formula to evaluate how much risk you pose to potential lenders, based on the following factors:

30%

What you owe

Your debt balance as well as the ratio of your debt to your credit limit is an important factor in determining your score.

35%

Payment history

Do you pay bills on time?
Any recent missed payments?

15%

Types of credit

Which credit cards you use and loans you carry also play a role in your credit score.

10%

New accounts

Opening many new accounts in a short period of time can negatively affect your score.

10%

Length of credit history

How long you've had credit will factor in to your final score.



Credit scores are based on your financial behavior and history, and do not include factors such as gender, race, religion, national origin, gender, age, education level or marital status.

What is a good score?

There is no absolute standard that lenders use to approve or deny credit. The chart below is merely a guide. Remember, a good score is one that works with, not against, your life goals. Staying informed and making smart financial choices is your best strategy for keeping your score on a steady climb.

Why a good score matters.

The reasons to keep your credit score in good shape are numerous.

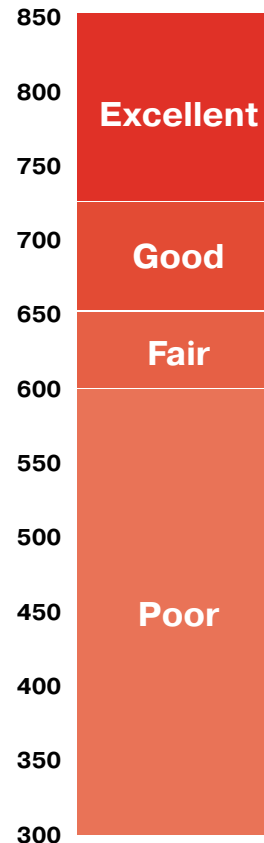
House or apartment hunting.

Whether you are renting or buy your first home, both landlords and mortgage lenders will require a good credit score.

Job Opportunities. Prospective employers often review candidates' credit history as a gauge of character and responsibility.

Better interest and insurance rates. A high score often qualifies you for lower rates on loans, and better deals on insurance.

Financial flexibility. A good credit score leaves the door open for additional credit, should you need it down the road.



How to improve your score.

If your score isn't exactly where you want it to be, all is not lost. Your credit score is very fluid and by taking action now, you can help improve your score quickly and keep it higher in the long run.

Always pay monthly bills on time.

Late payments can stay on your credit report and slow down your ability to improve your score.

Get credit. Use it.

Using credit is the only way to build credit history. If you don't currently have any credit accounts, open one and use it wisely.

Don't max out your cards.

Don't be tempted to spend up to your credit limit. If your debt is more than 25% of your total credit limit, your credit score may begin to fall.

Don't be afraid to talk to your creditors.

Lenders may be able to modify your interest rate or lower your monthly payment. But not if you don't ask.

Avoid opening new accounts to spread debt around.

Opening new accounts, especially in a short period of time, can negatively affect your score.

Monitor your credit regularly.

You aren't penalized for checking your own credit report. Check it for errors and potential fraud on a regular basis.



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It's your credit. Don't neglect it.

While your credit score gauges your creditworthiness with a number, your credit report tells the full story of your financial activities. Every year, or more frequently if you suspect fraud or errors, check your report. You are entitled to a free copy annually from any of the three main credit bureaus.

Equifax

Credit Reports:

1.800.685.1111

Fraud Hotline:

1.888.766.0008

www.equifax.com

Experian

Credit Reports:

1.888.397.3742

Fraud Hotline:

1.888.397.3742

www.experian.com

Trans Union

Credit Reports:

1.877.322.8228

Fraud Hotline:

1.800.680.7289

www.tuc.com

You can also get a free credit report at www.AnnualCreditReport.com

Get a free credit score estimate now.

Our FREE credit score estimator is a great tool for keeping an eye on your score. Simply answer 10 questions and get an accurate estimate of your score. No personal data or log in process is required. Then make a pact with yourself to raise your score, and check it again in a year's time. By simply making smart financial choices, your score should begin to improve.

Visit www.whatsmyscore.org/estimator to try our free credit score estimator.

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Today's date:

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Today's credit score estimate:

- I will pay my monthly bills on time.
- I will use credit responsibly.
- I will pay more than the minimum due.
- I will contact my creditors if I can't pay a bill.
- I will check my credit report regularly.

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Check your score a year from today:

Be sure to take advantage of all of the resources for controlling your personal finances at www.whatsmyscore.org

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