

Going Up?

4 Steps to a Higher Credit Score



So Now the Big Question...How Can I Get My Score to Go Up?

Your credit score fluctuates with everything that you do. If you have a less than acceptable credit score like many other Americans, there are things that you can do. There is no “quick fix” and it won’t happen overnight, but you can do these things to get a jump start for a future planned loan.

Step 1

The first and easiest step is to correct mistakes on your credit report. We are only human and by getting a copy of your credit report and correcting mistakes, you can make your credit report look a little cleaner.

Step 2

This is going to involve paying your bills on time. If you are struggling keeping track of them or making sure to pay them on time, look for an outside resource or online bill pay that you can schedule ahead of time. There are a lot of financial institutions that offer this service free to members. This will be a great step for future credit inquiries.

Step 3

This is where things tend to be a bit more challenging. Reduce your credit card debt. This does not involve getting another credit card to make the balances seem lower but to actually pay the balances. This may take some time, an extra job, and a tight spending budget, but you can do it. This is going to greatly improve the sight of your credit report. Creditors like to see around 25% of the available credit used.

Step 4

Do not close unused credit card accounts around your loan time. Closing them will make you look like you have a higher debt ratio. If you have a \$5,000 limit on 3 cards for a total of \$15,000 and owe a total of \$3,750 then you owe 25% of your available credit. Now, let’s close one of the cards because it is paid off. Your \$15,000 limit has now become a \$10,000 limit with \$3,750 still owed. You now have 37.5% of your available credit used and have become a higher risk. This could make the difference weather or not you get the loan.

