myFICO℠

Ten Ways to Improve Your FICO® Score

Provided by the credit scoring experts at Fair, Isaac and Company

When you apply for credit, your credit score helps lenders decide how likely it is that they will get paid back on time. The most widely used credit bureau scores are developed by Fair, Isaac and Company. These are known as FICO scores. With a higher score you'll be able to qualify for better interest rates, higher credit limits, and more types of credit than you would with a low score.

There are no tricks or quick fixes to getting a good credit score, but you can raise your score over time by demonstrating that you consistently manage your credit responsibly. Here are 10 tips that can help you raise your score:

1. **Pay your bills on time.** Proving that you can pay your bills on time is the best thing you can do to improve your score. And it's never too late to start. Even if you've had serious delinquencies in the past, these will count less over time.
2. **Keep credit cards balances low.** High outstanding debt can pull down your score.
3. **Check your credit report for accuracy.** There may be inaccurate information on your credit report that can be easily cleared up. Always contact the original creditor and all three credit bureaus whenever you clear up an error, so that the inaccurate information won't reappear later. Requesting a copy of your credit report won't affect your score if you order it directly from the credit reporting agency or an authorized organization.
4. **Pay off debt rather than moving it around.** Consolidating your credit card debt on one card or spreading it over multiple cards will not improve your score in the long run. The most effective way to improve your score is by simply paying down the amount you owe.
5. **Have credit cards—but manage them responsibly.** In general, having credit cards and installment loans which you pay on time will raise your score. Someone who has no credit cards tends to have a lower score than someone who has managed credit cards responsibly.
6. **Don't open multiple accounts too quickly especially if you have a short credit history.** This can look risky because you are taking on a lot of possible debt. New accounts will also lower the average age of your existing accounts, something that your FICO score also considers.
7. **Don't close an account to remove it from your record.** A closed account will still show up on your credit report, and may be considered by the score. In fact, closing accounts can sometimes hurt your score unless you also pay down your debt at the same time.
8. **Shop for a 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, based in part on the length of time over which recent requests for credit occur.
9. **Don't open new credit card accounts you don't need.** This approach could backfire and actually lower your score.
10. **Contact your creditors or see a legitimate credit counselor if you're having financial difficulties.** This won't improve your score immediately, but the sooner you begin managing your credit well and making timely payments, the sooner your score will get better.

These tips won't create a dramatic overnight jump in your credit score—developing a solid credit history takes time. A good first step is to order your FICO score through myFICO. When you get your score, you'll also get an explanation of your score, ways you can improve it, and a full credit report from Equifax—one of the three major US credit reporting agencies.

For more information visit *www.myFICO.com*