

5 Ways to Boost Your Credit Score

Whether your credit history is heading in the right direction or has veered off track, these tips will help you take control and improve your credit score.

- 1. Always pay your bills on time.** Set up automatic payments from your bank account or program reminders into your phone if you have trouble keeping track of when each bill is due.
- 2. Keep your balances low** on your credit cards and other revolving lines of credit. If your balances are currently high, begin to pay them off, starting with the card or line of credit with the highest interest rate, until you're debt free.
- 3. Be careful when opening new accounts.** Opening several new accounts at a time may raise red flags and lower your credit score. Similarly, closing several accounts at once may also raise red flags.
- 4. Limit rate shopping for a mortgage or auto loan to a small window of time** (e.g., 30 days); these inquiries are treated as a single inquiry. Otherwise, multiple inquiries can count against your score. According to FICO®, people who had more than five inquiries on their credit reports may be up to eight times more likely to file for bankruptcy than those with no inquiries.
- 5. Always handle your credit responsibly.** Remember, it takes time to repair your credit once it's damaged. And if your credit history needs improvement, it's never too late to take steps to repair it.

Establishing a good credit history is important if you wish to lock into low interest rates to purchase a home, a car or another large item. While a bad credit history can give you a low credit score, not having a history at all, or having a brief one, can lower your score as well. Gradually build your credit by using a credit card responsibly and making your payments on time.

