

Tips to Improve Your Credit

from Arizona Saves

1. Make payments on time.

The best way to get on the road to a good credit score is to make *at least* the minimum payments on all debts on or before their due dates. A positive payment history weighs the most heavily on how your credit score is calculated. If you're behind on any payments, do what you can to catch up, and stay current. Your late payments will remain a part of your credit history for several years, even if you pay off the accounts, but they'll weigh less heavily as time passes.

2. Pay down balances.

Continually carrying high balances on revolving loans (loans that allow you to borrow and repay money as you need it, like credit cards) can negatively affect your credit score. This is because high balances can indicate a likelihood that you have over-extended yourself. Paying down these balances can increase your credit score, and will allow you to save yourself money in interest charges as well.

3. Be patient.

A good credit rating can not be established overnight. A portion of your credit score is calculated by reviewing the ages of your credit accounts. Try to keep revolving accounts open even after you've paid them off. Use them periodically but keep the balances low and pay them off quickly. Accounts that have been in good standing over a long period of time will reflect well on your score because they indicate that you are able to handle credit responsibly over time.

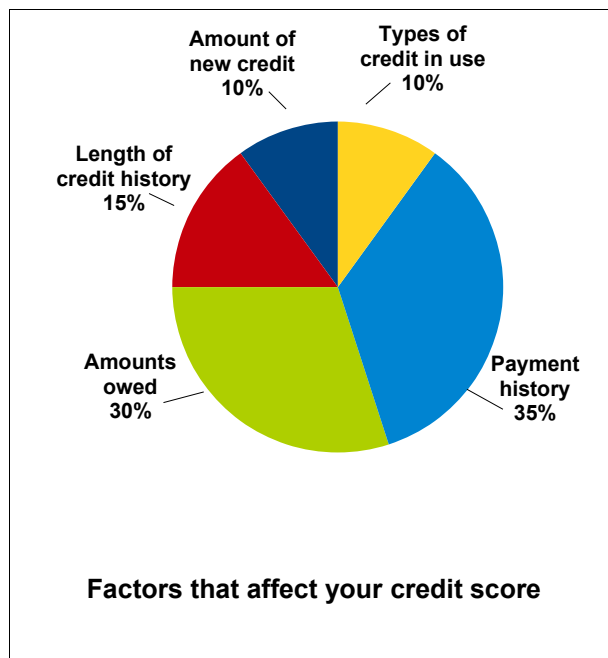
If you've had a history of late payments, or other negative information such as collection accounts, a bankruptcy, a repossession of a car, or foreclosure on a house, it will take time to repair the damage. Your credit will begin to improve as you bring your accounts current and continue making payments promptly. As time passes, the past negative information won't play as big a role in your overall credit picture, and your score will increase.

4. Avoid opening new credit lines unless absolutely necessary.

Apply for new credit *only* when needed. Avoid moving balances from one card to the next to take advantage of low introductory rates, unless you'll be disciplined enough to use the decreased interest charges to pay down the debt faster. Opening and closing several credit lines over short periods of time can lower credit scores.

5. Avoid credit repair scams.

Steer clear of companies that claim to be able to quickly improve your credit by erasing negative information from your credit history for a fee. Review your credit report for free by visiting www.annualcreditreport.com and ensure the information is correct. Information that is inaccurate or outdated can be disputed and removed. However, accurate information can not be deleted.



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