

25 ways to raise your credit score

Raising your credit score can save you thousands of dollars because you'll get a lower interest rate on your mortgage and car loans. Your credit score can even determine if you get a new job.



So it's really important to have the highest credit score you can! Here are 25 ways to raise your credit score...

1. PAY YOUR BILLS ON TIME



This is probably the most important thing you can do! Your credit report shows if you pay every bill late or on time and creditors put tremendous importance on the way you handle your normal bills.

2. KEEP SOME OF YOUR UNUSED ACCOUNTS OPEN



You can use them in an emergency and the additional credit improves your ratio of used credit vs. available credit. If you close a lot of unused accounts, it's likely to *lower* your credit score.

3. KEEP YOUR BALANCES AS LOW AS YOU CAN



Watch your balances to make sure they don't get out of control.

4. OPEN A NEW ACCOUNT ONLY WHEN YOU TRULY NEED IT

It's a good idea to have more than one credit account, but like most everything else, too much of a good thing can be a bad thing.



5. DON'T BE AFRAID OF CREDIT CARDS

Having *no credit* can be as bad as, or even worse than poor credit. The best option is to have a few credit card accounts open and **pay off the entire balance each month**. That way, you build an excellent credit score without owing anyone any money.



6. ALWAYS PAY SOMETHING

Make every effort to keep your accounts in good standing. If this means making a partial payment one month, that's better than paying nothing at all.



7. BE AWARE OF YOUR LIMITS

Make sure you know what the limit is on your card and don't go over it. Not only does it lower your credit score when you go over, but you get socked with big over-the-limit fees, too.



8. USE AN OLDER CARD FROM TIME TO TIME

It helps to go back and use an account that's just been sitting there for a while. Keeping an older account active can help your score because the age of the account is a big factor in credit score calculations

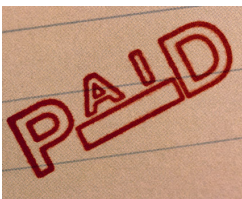


9. KEEP TABS ON YOUR CREDIT REPORT



This is the best way to spot important changes and errors. Wrong information on your report can easily damage your score.

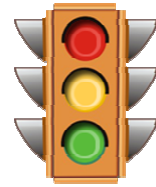
10. USE AUTOMATIC PAYMENTS



Setting up automatic payments for your recurring bills is a good idea. You won't forget to pay the bill and you'll always be on time.

11. USE COMMON SENSE

If you're disputing a charge and it's not getting resolved quickly, just pay the bill if the amount is small. Don't fight for your principles *so long* that it gets turned over to a collection agency.



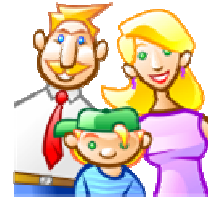
12. HAVE A CHECKING AND A SAVINGS ACCOUNT



Credit cards aren't the only things that factor into your score. It's also good to **show a history of other types of financial accounts in good standing.**

13. BECOME A SECONDARY CARD HOLDER

If you have bad credit, see if you can get added to a family member's card as a secondary card holder. Sometimes this can improve your own score.



14. APPLY FOR CREDIT EARLY



Apply for your first credit as soon as you can use it responsibly. This might be when you graduate high school, after you're in college, join the military, or get your first "real" job. The longer you've had the same credit card, the higher your score will be.

15. STEER CLEAR OF CREDIT ACCOUNTS AT LOCAL RETAIL STORES



You might be tempted to open one of these accounts to get a big discount or special terms (like 2 years same as cash), but it's easy to break your budget this way and not be able to make the payments on time. And this kind of account doesn't rank as high as a credit card.

16. ALWAYS BE AWARE OF YOUR DEBT RATIO

Your debt ratio is the amount of debt you have compared to your available credit. Try to keep this under 25%



17. CORRECT CREDIT REPORT ERRORS QUICKLY



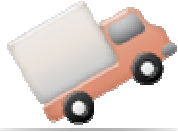
If you see anything wrong on your credit report, take steps to get it corrected right away. The longer it stays on your report, the longer it'll affect your score.

18. DON'T GIVE UP



If you're struggling to pay your bills, don't just give up and stop paying altogether. **Get in touch with your creditors and try to work out alternative payment arrangements.**

19. MOVE CREDIT BALANCES CAREFULLY



Beware of “teaser” interest rates that last only a month or so and hidden fees for moving your balance from one credit card to another. Read the fine print, because usually ***the large print “giveth” and the small print “taketh away.”***

20. DON'T RUN UP A BIG BALANCE

A lot of small charges add up faster than you think. If you're on a really tight budget, don't use your credit card for everyday things like coffee and cigarettes. Pay cash or use your debit card to prevent overspending.



21. TAKE OUT A SMALL LOAN

Get a small loan (even if you don't need it) and pay it back over 6-12 months. You'll prove that you can pay on time and you'll build good credit and increase your score. Then it'll be easier to get a bigger loan later when you need it.



22. STOP MAKING IMPULSE PURCHASES

Make a “two week wait” rule so you don't buy stuff on a whim of simply because it's on sale. Think about during that time and after two weeks of living without it, you'll know whether or not you *really* need to make the purchase.



23. KEEP IN TOUCH WITH CREDITORS



Even if you feel your situation is hopeless, it probably isn't. Call your creditors to discuss your accounts and you might be able to get some breathing room. **Don't wait for a letter saying your account has gone to a collection agency.**

24. USE DIFFERENT TYPES OF CREDIT

It's a good idea to have different types of accounts – for example, a mortgage, a car loan, or another bank loan – instead of relying entirely on credit cards.



25. STUDY CREDIT SCORING

Credit scoring can be complicated and confusing. Having a better grasp of the whole concept will make it easier for you to use credit wisely and continue to raise your score.



Improving your credit score might take a while, but it'll be worth it. Just implement these tips one by one, and you'll soon start seeing results.

If you have any questions, please feel free to email me:

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