



Make YOUR Credit Score the BEST It Can Be!

What goes into creating a score? It pays to have a good credit score. Many products and services you buy are price based on your credit score. Statistics show you could save as much as \$30,000 in interest on a \$100,000 home over 30 years, if your score is above 740 versus being under 640.

Payment History – (35% of score) This is, by far, the major factor in keeping your credit score high. Pay your bills on time, by the due date, and avoid late payment fees. Even one late payment can affect your score for as long as twelve months. Most, but not all credit companies, wait 30 days to report to the credit bureau, so don't take that chance and make payments by the due date. If you realize you missed a payment, make it as soon as you realized it.

Capacity / Utilization / Amount Owed - (30% of score) Good scores go to those who do NOT use their entire lines of credit each month. Having a lot of credit cards can hurt you if you have high balances on all of them. Make sure you keep balances low or pay your balance off monthly to keep a low utilization ratio. Never exceed your credit limit.

Length of Credit History – (15% of score) the longer you have credit card accounts the better. Keep all cards in good standing, but if you are not using the card, close it. Do not leave old unused cards on your file. Your personal credit file should reflect your request to close the card, not the reason "closed by issuer".

Types of Credit – (10% of score) The FICO Score ranks you higher if you have a variety of credit types, such as auto loans, mortgage loans, credit cards etc. By having more types of debt, you show that you can properly manage all types of credit, thus improving your score. It does not necessarily mean you need a lot of credit, but different types will help your score.

New Credit – (10% of score) When you apply for credit, of any type, your credit report is accessed. Each new inquiry will decrease your score slightly, so make sure you know who is requesting a credit history on you.

Check your credit report annually for errors. Every consumer is entitled to one free credit report per year from each of the three largest bureaus. Go to: "annualcreditreport.com" to request your copy. Review all information for accuracy. If you find errors, request that the errors be corrected. Your score will only be as good as the information filed.

CentralAlliance wants to be your resource for good financial management, which includes making sure your credit score is the best it can be. This can SAVE you money down the road. Share a copy of your free annual report with us and we'll provide you with the tips you need to improve your score.

***"Providing Members With Superior Personal and Family Financial Security
through all Stages of their Lives"***

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