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| **Things You Can Do to Increase Your Credit Score****Bad credit can be a drag on your lifestyle. Here are some tips on how to repair your credit score.**Millennials often delay getting credit cards or buying homes, yet many struggle with student loans. The result is numerous young people have bad or scant credit, hampering their ability to obtain credit and loans at a good interest rate. Read on for tips to establish or rebuild your credit score.**Understand credit scores.** FICO is the most popular credit scoring system, with a range of 300 to 850. The three major credit bureaus (Experian, Equifax, and TransUnion) each provide a score that’s recalculated monthly. According to Experian, scores below 670 are considered bad1. Your score is based on several factors, including your payment history, the amount you owe, the length of your credit history, new credit, and your credit mix. It can take three to six months to establish or see improvements in your credit score2.**Review your credit reports.** Each of the three credit bureaus collect information about your use of credit. Mistakes and incomplete information can seriously hurt your credit score, so it’s essential you review your three reports and dispute any inaccuracies. You can order free copies of your credit report from AnnualCreditReport.com. The credit bureaus post procedures on their websites for disputing credit report mistakes and are legally required to investigate your claims. You can dispute errors yourself or hire a credit repair company to help you with this endeavor.**Adopt good credit habits.** Your payment history accounts for 35% of your credit score, the single most important factor. To improve your score, pay your bills on time and clean up any past due bills before they go into collection (i.e., within three months). Another 30% is due to your credit utilization ratio, which is the amount of credit you use versus the amount available to you. You’d like to keep that ratio below 30%. Other creditworthy habits include not applying for several credit cards or loans within a short period of time, preserving the length of your credit history by not closing old credit accounts, and using a mix of different types of credit and loans.**Take steps to build your credit.** You have several options if you are experiencing difficulties obtaining a credit card or loan due to a bad or non-existent credit score. You can become an authorized user of someone else’s credit card, or recruit a co-signer when you apply for credit or a loan (like an auto loan). Also, consider getting a secured credit card, which is backed by cash collateral you deposit into a special account. Another option is to join a credit union and obtain a credit builder loan. Your payment activity for all of these options is reported to one or more of the credit bureaus, providing you the opportunity to build credit by exercising creditworthy behavior.**Good credit is a valuable resource.** With good credit, you can purchase goods and services without first saving up the money, and you may be able obtain loans quickly when necessary. The underlying requirement is to budget your money and plan how to use it. Contact me today to discuss financial planning and to review your credit situation. Together, we can develop a plan to boost your credit, improve your access to credit, and start building your long-term wealth.

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| LET'S CONNECT |

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1 [experian.com/blogs/ask-experian/credit-education/improving-credit/how-to-fix-a-bad-creditscore](https://www.experian.com/blogs/ask-experian/credit-education/improving-credit/how-to-fix-a-bad-creditscore)[7/29/19]2 [thebalance.com/how-long-it-takes-to-build-good-credit-4767654](https://www.thebalance.com/how-long-it-takes-to-build-good-credit-4767654)[8/14/19] |

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