

# MANAGING YOUR CREDIT SCORE

Tips to Establish and Maintain High Ratings



## Makeup of US Credit Scores

SCORE	300-649	650-749	750-850
Percentage of U.S. Credit Scores	30%	30%	40%

### SOME THINGS YOU MIGHT ALREADY KNOW:

- Borrow only what you can afford to repay.
- Make all of your payments on time.
- Avoid excessive requests or inquiries for credit.
- Have an emergency account to pay for unexpected expenses.
- Check your report to remove any erroneous information.

### SOME THINGS YOU MIGHT NOT KNOW

Do not open new store credit cards just to save on a purchase. New accounts can lower your score, and too many payments can be difficult to manage. Saving 10% on a \$300 lawn mower means little if it costs you even just slightly more on a \$300,000 home loan.

### PRO TIP:

*Trended credit report data is also important! The way you pay your accounts is also taken into consideration. Paying just \$5 more than your required minimum payment could have a positive factor in your overall credit rating.*

#### DO NOT OPEN NEW ACCOUNTS JUST TO TRANSFER BALANCES FOR AN INTRODUCTORY RATE

In addition to possibly lowering your score, these offers often have traps.

#### DO NOT CLOSE OLD ACCOUNTS

A good record of payments on old accounts benefits your score. Using them occasionally and conservatively keeps them active and contribute toward a good score.

Not sure? Ask us, we can run credit scenarios to project our your potential score.

#### DO NOT BE AFRAID TO CAREFULLY USE CREDIT

Without the use of credit, you will have no score, and that can be just as bad as a low one.

#### KEEP A HIGH CREDIT LINE AND A LOW BALANCE

A high credit availability with a low balance, 30% or below is ideal. As an example: if your credit limit is \$5,000, you would want to keep your balance below \$1,500 to stay under 30% usage. If you like to use points, and you pay things off before your statement balance posts to the credit bureaus, this wouldn't be applicable.

#### MAINTAIN A VARIETY OF ACCOUNT TYPES

A combination of revolving, installment and secured financing along with excellent records of payment will result in a higher score. Still, don't run out and open an account just to have diversity, as this is the least influential factor.

**If you have questions about managing your credit, we're here to help!**

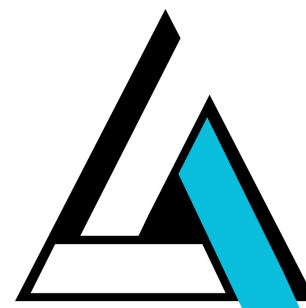


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