



Understanding Credit Scores

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What is a Credit Score?

A credit score is a numerical rating that shows how trustworthy you are with borrowing money.

Why Does Your Credit Score Matter?

Making payments on time is crucial. Late payments can significantly lower your score, while consistent on-time payments boost it.

Payment History – The Biggest Factor

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Keep Balances Low on Credit Cards

The amount of credit you use compared to your credit limit (called credit utilization) impacts your score.

Length of Credit History Matters

The longer you've had credit accounts, the better. Avoid closing old accounts as this can shorten your credit history and lower your score.

Avoid Opening Too Many Accounts at Once

Each credit inquiry can lower your score slightly. Opening multiple accounts in a short time signals potential financial instability to lenders.

Summary and Next Steps

Maintaining a good credit score takes time.
Focus on timely payments, low balances, and a
solid credit history.