

5 WAYS TO BUILD YOUR YOUR CREDIT SCORE



Establishing and maintaining a good credit score is critical as you make purchases throughout your life. Your score indicates to lenders how financially trustworthy you are, and your number greatly impacts your ability to qualify for a loan!

Here are some important steps you can take to manage your credit score:

Establish Credit History

Even if buying a home seems like a distant goal, it's wise to establish credit early. Open a credit card and keep the balance low enough to easily pay off each month. When you eventually want to make a large purchase, a lender will pull your credit report and find you have a long history of paying loans on time.

Avoid Getting Close to Your Limit

Financial experts advise keeping your credit at 30% or less of your total credit limit at any given time. It may adversely affect your credit score to have a card appear to be maxed out.

Make Payments on Time

The easiest and most effective way to maintain a high credit score is to pay your loans on-time. Pay your largest bills first and keep your credit card balances low enough so you don't carry over debt from month to month if you can help it. Set up automatic payments so nothing gets accidentally overlooked!

Don't Close Out Your Cards

If you've paid off the balance of an existing credit card and no longer plan to use it, keep the card open anyway if there is no annual fee! This increases your overall credit limit and lowers your credit utilization score.

Don't Apply for Too Much

Too many credit inquiries can negatively impact your credit score—especially if they're made in a short period of time. This can be a warning to lenders that you're planning to accumulate a lot of debt.

