



Tips for Raising Your Credit Score

Most people want to know how to raise their credit score as quickly as possible. You must realize that it will take time, effort, and energy to raise your credit score. Here are some ways recommended by the professionals at the Fair Isaac Corporation and by the Consumer Federation of America.

1. Pay your bills on time. Delinquent payments and collections can have a major negative impact on your score.
2. If you have missed payments, get current and stay current. The longer you pay your bills on time the better your score.
3. Be aware that paying off a collection account, or closing an account on which you previously missed a payment, will not remove it from your credit report.
4. If you are having trouble making ends meet, contact your creditors or see a legitimate credit counselor. This will not improve your score immediately, but if you can begin to manage your credit and pay on time, your score will get better over time.
5. Keep balances low on credit cards and other revolving credit; high outstanding debt can affect a score.
6. Pay off debt rather than moving it around. The most effective way to improve your score in this area is by paying down your revolving credit. In fact, owing the same amount but having fewer open accounts may lower your score.
7. Do not close unused credit cards as a short-term strategy to raise your score. Do not open a number of new credit cards that you do not need, just to increase your available credit.
8. If you have been managing credit for a short time, do not open a lot of new accounts too rapidly. New accounts will lower your average account age, which will have a larger effect on your score if you do not have a lot of other credit information. In addition, rapid account buildup can look risky if you are a new credit user.
9. Do your rate shopping for a given auto or mortgage loan within a focused period of time. FICO scores distinguish between a search for a single loan and a search for many new credit lines, in part by the length of time over which inquiries occur.
10. Re-establish your credit history if you have had problems. Opening new accounts and responsibly paying them on time will raise your score.
11. It is okay to request and check your own credit report and your own FICO score. Checking your own report and score will not affect your score, as long as you order your report from an agency or organization authorized to provide credit reports to consumers.
12. Apply for and open new credit accounts only as needed. Do not open accounts just to have a better credit mix; it probably will not raise your score.
13. Have credit cards – but manage them responsibly. In general, having credit cards and installment loans (and making timely payments) will raise your score. People with no credit cards, for example, tend to be higher risk than people who have managed credit cards responsibly.
14. Note that closing an account does not make it go away. A closed account will still show up on your credit report, and may be considered by the score.