



## Credit Score

- In recent years a credit score has become vastly more important. Not only does it determine your eligibility for credit cards, loans, and mortgages but now employers consider credit scores when hiring and renters use them before renting. Unfortunately for something that has become so essential, it is very easy to lose track of your credit score, and without taking the proper steps it can take years to undo these minor problems.
- **What is a Credit Score?**
  - The numerical expression that allows lenders to judge your creditworthiness. It tells how likely you are to repay a loan in a timely matter.
- **What Factors are Credit Scores based on?**
  - Your previous history of repayment
  - How much debt you currently have
  - How long credit accounts have been used
  - What types of credit you have
  - How often you've pursued new credit recently
  - How can you Improve your Credit?
- **Repayment History**
  - Make sure you make all loan payments on time and for the appropriate amount. Even one late payment can affect your score for a period of time.
- **Current Debt**
  - Your current debt is compared to your total available credit, and if that ratio is high, it can negatively impact your credit score. Try to avoid carrying large balances and keep debt levels to under 30% as a rule of thumb. When possible using less than 10% of your available debt will help maximize your score.
- **Credit Account Age**
  - The longer a credit account has been open and in good standing, the better this reflects on your credit score.
- **Credit Type**
  - A home loan has a more positive impact on your credit score than a credit account with some financing companies. Check on the effects before signing up for that "no-interest for a year" financing plan.
- **New Credit**
  - Try to limit the number of times you apply for credit. While not all views by prospective creditors are viewed negatively, frequent credit applications will depress your score.
- **What is Credit Repair?**

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- Credit repair is the process of analyzing a credit score (Ex. Fico), identifying factors that are harming your score, and putting a plan into action to fix these issues.

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