

**SCORE** **TOP 17 TIPS TO IMPROVE** **YOUR CREDIT**



Do you want to improve your credit but don't know where to start? Is it hard to see the light at the end of your credit tunnel?

You've come to the right place! Here are 17 tips to start improving your credit so that you can achieve your financial goals. You'll find that if you put these tips into practice, they will help improve your credit over time. It is all about consistently exercising healthy financial habits. After reading these tips, you will find the "Checklist to Success" at the bottom that allows you to complete and track specific actions which will help you on your path to financial success and freedom. Let the credit improvement begin!



### **Tip #1: Pay all of your bills on time.**

Budgeting to be able to pay all of your bills on time is the best way to achieve a good credit score. Even if you do not have credit history at this time, you can establish one through timely payment of your bills. A 30-day late payment will result in a negative report on your credit report. If your accounts become 90 days past due, they will be eligible for charge off.

### **Tip #2: Borrow no more than you can comfortably pay back.**

Before you borrow money review your monthly budget with someone who understands financial management. Discuss what you can afford monthly.

### **Tip #3: Avoid opening several new accounts in a short period of time.**

If you open several credit card accounts or take out multiple loans all within a short period of time, this may indicate the possibility of you overextending your money, thus, negatively affecting your credit.

### **Tip #4: Do not bounce checks.**

Do not write checks that exceed the funds available in your checking account. Don't think you can bounce a check without consequences. Consumers with poor banking habits are flagged in the system and it could prevent you from opening a checking account in the future. For this reason, it is important to keep your account current and avoid bounced checks and charges for insufficient funds.

## Tip #5: Make sure you read and understand your loan terms and agreements before you sign anything.

It is important that you understand your loan terms and agreements to avoid committing to payment amounts that you cannot afford. If you are unable to pay back your loan, it will negatively affect your credit report and score.

## Tip #6: Be cautious about co-signing or guaranteeing loans for others.

When you co-sign or guarantee a loan for someone, you are agreeing to take responsibility for repaying that person's debt if he or she is unable to do it.

## Tip #7: Apply for a secured credit card.

You can apply for a secured credit card at a local financial institution. Make sure to ask the financial institution if the secured card will report to the credit bureaus because not all of them do. You will want to make sure that it does or it will not help you re-establish your credit.

A secured credit card requires that you deposit a specific amount of cash into a savings account. It is used to guarantee your credit card payments. After you consistently repay your balance each month, your credit limit is increased. This is a great way to build credit and a positive credit history.

## Tip #8: Review your credit report and dispute any inaccurate information it may contain.

Sometimes there are errors on credit reports. Make sure that your credit report accurately reflects your credit history. If you know that you are going to apply for a loan, review your credit report at least 3 months ahead of time. Remember to check all 3 credit bureaus because each report may differ.

It doesn't cost anything to dispute inaccurate information through the credit bureaus and it is your right as a consumer to dispute information you feel is inaccurate. You will need supporting documentation when disputing any information.



## Tip #9: Create a nontraditional credit history.

If you do not have an established credit history, you can create a nontraditional credit history for yourself. You will be able to apply for credit in the future. To build a nontraditional credit history, you can take the following actions:

- Keep copies of your paid bills.
- Keep copies of the canceled checks used to pay your bills or online confirmations.
- Ask your payees (people/organizations to whom you pay bills to) to write a letter stating how long you have been a customer and paid your bills on time.
- Consider getting a secured credit card. When you use the card, be sure to make payments on time each month. For more details, see Tip #7 above.

## Tip #10: Think long-term.

Establishing or reestablishing your credit takes time. If you are reestablishing your credit, it may take several years of consistent bill payments before a lender will give you another chance. Stick with it. A good credit history is worth the hard work and patience.

## Tip #11: Call a credit counseling organization for assistance.

There are many reputable credit counseling organizations that are willing to spend time helping you work through your personal finance issues. Use accredited, nonprofit organizations and avoid programs that advertise a quick fix. Christian Credit Counselors is a non-profit 501(c)(3) debt management company. We are available to help! Call us at 1.800.557.1985 or visit us online at [www.christiancreditcounselors.org](http://www.christiancreditcounselors.org) today.

## Tip #12: Do not max out your credit cards.

Keep your balances low! Using your full credit limits will not only overextend your budget but will also hurt your credit.





## Tip #13: Protect yourself and your identity.

Be cautious when releasing your personal information. Identity theft is on the rise and you should take every precaution you can when discussing and releasing your personal information whether it is on the internet or over the phone. Do not pay for identity theft protection. Monitoring your accounts yourself is the safest and cheapest way to manage your finances.

## Tip #14: Set a budget and stick to it.

A budget is one of the greatest tools to achieve financial success. Track your expenses then create a budget that makes sense for you and your family. Monitoring and maintaining your budget should set you up for financial success in the future. Sticking to a reasonable budget can help you pay your bills on time to improve your credit report, which employers may check with the proper consent.

## Tip #15: Avoid payday loans.

Payday loans are dangerous to your financial situation. Payday loan companies charge very high interest and, if left unpaid, the collection fees and interest are unbearable. Even though it can be easy to fall prey to the payday trap, remember that a good budget, savings, and an emergency credit card are better options when you need funds for an emergency or unexpected bill than getting a payday or high-interest loan.

## Tip #16: Build credit by using it responsibly.

The safest way to build credit is to set aside cash that you would use for everyday items (such as gas or groceries), use your credit to pay for them, and then use the cash to pay off the credit amount each month. You can also build your credit by purchasing household goods (such as tires) with credit ninety days or six months same as cash and as long as you pay off your balance in full within that time, it will build your credit.

## Tip #17: Beware of websites that advertise “Free Credit Reports and Scores.”

Most websites out there might advertise as being free but they actually do charge consumers a monthly fee to monitor or pull their credit reports or scores. Utilize [www.annualcreditreport.com](http://www.annualcreditreport.com) and [www.creditkarma.com](http://www.creditkarma.com) for free annual credit reports and scores. Always remember: you can monitor your credit by yourself for free!

Now that you know 17 tips to improve your credit score, you can use the checklist below to keep track of specific actions that you can take to be financially successful:



#### Checklist for SUCCESS:

- I have read another eBook by Christian Credit Counselors entitled, “The Complete Guide to Fixing Your Credit Report – the Right Way.”
- I went to [www.annualcreditreport.com](http://www.annualcreditreport.com) and printed my free credit report(s).
- I signed up with [www.creditkarma.com](http://www.creditkarma.com) for free monitoring.
- I have reviewed each section in my credit report(s) and took note of areas where I need improvement (example: Payment History, Amounts Owed, Length of Credit History, New Credit, Types of Credit).
- I used the Dispute/Investigation Worksheet from “The Complete Guide to Fixing Your Credit Report – the Right Way” eBook by Christian Credit Counselors to note any errors or activity that I did not recognize on my credit report(s). These will be issues that may need to be disputed through the credit bureau(s).
- I researched these potential errors by pulling my statements and calling the creditors for information, if necessary.
- I filed a free dispute letter with the credit bureau that reported the inaccurate information.
- I completed a realistic budget and I stick to it. I know I can use the blank budget sheet in the above-mentioned eBook as a reference guide.
- I made a list of my debts so that I am aware of what I owe and so that I can make a game plan to pay down any overextended accounts. I used this list along with my budget sheet to see how much extra I can realistically afford to put toward my accounts monthly.
- I researched more information about applying for a secured line of credit which reports to the credit bureaus because this can be a good way for me to reestablish credit.

Hopefully, learning and practicing these great tips and utilizing this checklist will help guide you in navigating through the uncertainty and stress that debt and a negative credit situation can bring. Sometimes a financial situation can be so overwhelming or negative that it seems impossible to even find a way to start unraveling and solving it. That is when this eBook comes into play! It gives you information and specific actions that you can start taking today so that you can travel step by step on the road to financial recovery! It will take time and patience, but putting these tips to use over time can improve anyone's credit scores.

Remember, if you are in need of financial assistance, contact:

**Christian Credit Counselors**

**[www.ChristianCreditCounselors.org](http://www.ChristianCreditCounselors.org)**

**1.800.557.1985**



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