



Top 5 Ways to Rescue *Your* Credit Score

#1 **Beware of your debt distribution.**

Ideally your debt will be 30% or less of your total credit limits. Count the limits on each of your cards and calculate whether you're past the threshold. If you are, this has a very negative effect on your score. Pay down some debt so you're below 30% debt and your score should rebound.

#2 **Keep your credit history long.**

Don't ever close your oldest credit accounts because they add valuable history to your credit report. (Note: The more information the company has, the better they can assess your score.)

#3 **Stay away from new credit.**

Any time a potential creditor pulls your file, it's called an *inquiry*. Too many inquiries in a two year period can affect your score. Don't ask for new credit while you're working on improving your credit score. Don't be lured in by airline companies and department stores that offer free money or extra miles on your credit card, because that is only more new credit that you have to pay off.

#4 **Pay off debt.**

Consider asking a family member for loan to pay off high interest credit card debt. As long as you don't rack up more debt, this can be an excellent way to get back on your feet. (Note: Typically the terms you'll get for repayment are far better than any bank.)

#5 **Pay on time.**

Again and again, money experts tell people the best thing they can do to create an excellent credit score is to simply pay their bills on time. Most creditors will not report late payments at 30 days, but at 60 or 90, you will almost certainly be reported. If you have had late payments in the past, relax - over time their impact steadily diminishes.

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