

IMPROVING YOUR CREDIT SCORE: CREDIT CHECK-UP

1. Get the facts

The first step is to get a clear picture of your credit profile. Order your credit report, credit score and debt analysis online to get a complete picture of your current status. Look closely at the data from each credit bureau to see that it all matches up. Keep an eye out for: wrong mailing addresses, incorrect Social Security information, old employers, signs of identity theft, errors in your credit accounts, late payments, and unauthorized hard inquiries.

2. Right the wrongs

Contact your creditors or send letters of dispute to the credit bureaus to have errors on your credit report corrected. By law, the credit bureaus have 30 days to investigate your claim and make any appropriate corrections.

3. Improve your behavior

Identify problem areas on your credit report and make a plan for improvement. If you've had a hard time paying your bills on time and have the funds available, sign up for an automated payment service. If your debt levels are above 50% of your available limit, create a payment plan to reduce your balances. Set goals for improving your credit and be sure to celebrate when you reach a milestone.

4. Follow up

Check your credit again 30-60 days after disputing errors and changing your behavior to see how much you have improved. If any inaccuracies remain, continue to negotiate to have them taken off your credit report. If you want to tell your side of the story, ask to have a consumer statement added to your credit file.

5. Monitor your credit

To guard against fraud and keep your credit healthy, sign up for a credit monitoring service that will quickly alert

Credit bureaus

According to the Fair and Accurate Credit Transaction Act (FACTA) of 2003, consumers are entitled to free access to their credit report. Credit bureaus must provide free copies of credit reports to victims of identity theft.

For more information, go to www.annualcreditreport.com or call 877-322-8228.

Equifax

www.equifax.com
800-525-6285 (Fraud Hotline)
800-685-1111 (Report Order)
P.O. Box 740250, Atlanta, GA 30374

Experian

www.experian.com
888-397-3742 (Fraud Hotline)
888-397-3742 (Report Order)
P.O. Box 9556, Allen, TX 75013

TransUnion

www.transunion.com
800-680-7289 (Fraud Hotline)
800-916-8800 (Report Order)
P.O. Box 6790, Fullerton, CA 92634

you to any changes in your report. Keep copies of your old credit reports and letters of dispute in a safe place for future reference. Make a plan to regularly evaluate your progress.

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IMPROVING YOUR CREDIT SCORE: CREDIT CHECK-UP (CONT.)

How to Improve Your Credit Scores

Improve your payment history.

- Always pay your bills on time.
- If you have past-due bills now, get current and stay that way.
- Contact your creditors as soon as you know you will have a problem paying bills on time.
- If your situation is serious, seek financial guidance. Avoid anyone who promises a quick reversal of your credit problems.

Keep debt to a minimum.

- Keep your credit card balances low.
- Pay off debt—don't move it around. Owing the same amounts, but having fewer open accounts, can lower your score if you max out the accounts involved.
- Don't automatically close unused accounts; zero balances might help your score.
- Don't open new accounts that you don't need as a quickie approach to altering your debt-to-credit-limit ratios. That can lower your score.

Length of your credit history.

- Time is the only thing that can improve this aspect of your scores, but you can manage it wisely. Don't open several new accounts in a short period, especially if your credit history is less than three years.

Manage new credit wisely.

- Several credit inquiries during a short period means you are attempting to open multiple new accounts, and that lowers your credit scores.
- Credit scoring software usually recognizes when you are shopping for a single loan within a short period of time, such as a home loan. If multiple inquiries are necessary, have them pulled as closely together as possible.
- Checking your own credit report does not affect your scores.
- Do try to open a few new accounts if you've had credit problems in the past. Pay them on time and don't max out your credit limits.

How your credit score is calculated

- Payment history
- Outstanding debt
- Credit account history
- Recent inquiries
- Types of credit

What's a good credit score?

FICO credit scores (usually) range from 340 to 850. The higher your score, the less risk a lender believes you will be. As your score climbs, the interest rate you are offered will probably decline.

Borrowers with a credit score over 700 are typically offered more financing options and better interest rates. Don't be discouraged if your scores are lower, you have the ability to make changes to increase your score over time.

Here's an look at credit scores among the U.S. population in 2017:

Up to 499:	4.7%
500—549:	6.8%
550—599:	8.5%
600—649:	10%
650—699:	13.2%
700—749:	17.1%
750—799:	19%
Over 800:	20.7%

The types of credit you use.

- A mixture of credit cards and installment loans with fixed payments can help raise your score if you manage the credit cards responsibly.
- Having many installment loans can lower your scores since payments remain the same until balances are paid in full.
- Don't open new accounts just to have several accounts or to attempt a better mix of credit.
- Closing an account doesn't remove it from your report. It may still be considered for scoring purposes.

For additional information, please contact your nearest Associated Bank location.



Source: About.com

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