10 WAYS

To Improve Your Credit Score

Poor credit can make it harder for you to get a mortgage. It can also put you on the hook for higher interest rates, which can make the loans and credit lines that you do obtain more expensive to repay. If you have fair or bad credit, defined as a FICO score of 669 or below, you may be wondering how to increase your credit score. As hopeless as the situation might seem now, poor credit doesn't have to last forever. Outlined below are simple steps you can take right now to begin raising your credit score. These ideas won't create a dramatic improvement in your credit score overnight, but over time, they will. Remember, it takes time to develop a strong profile. Once you've done it, you'll find it easier to apply for credit and favorable interest rates.

1 PAY YOUR BILLS WHEN THEY ARE DUE

Make a list of your bills and their due dates, set up auto payments when possible, and sign up for reminders. Use these and other tips to help you pay your bills on time, build a positive bill payment history and support your credit health.

2 KEEP CREDIT CARD BALANCES LOW

The amount of debt you're carrying is 30% of your credit score—the second biggest factor after payment history—so your credit card balance obviously impacts your credit score. Having high balances can hurt your credit score because it raises your credit utilization—the ratio of your credit card balance to your credit limit.

3 CHECK FOR ERRORS

Under the Fair Credit Reporting Act, you have the right to an accurate credit report. This right allows you to dispute credit report errors by writing to the relevant credit bureau, which must investigate the dispute within 30 days. Free credit reporting websites do not always give you the full picture of your current credit state. We advise customers to go directly to Experian or any of the other 3 credit bureaus and pay the minimal fee for an accurate report.

4 PAY DOWN YOUR DEBT

Credit card debt, auto loans and other forms of debt can all have an impact on a person's credit score, which in turn affects the rate they are able to get on their mortgage (or their ability to qualify in the first place). When getting ready to apply for credit (like a mortgage) it is best advised to get your credit paid down and reflecting on your credit report as such. We encourage you to create a repayment plan. Not only will a repayment plan keep you on task, but it will also help you stay motivated since you'll be able to see real progress.

5 KEEP USING YOUR CREDIT RESPONSIBLY

Credit cards offer one of the best ways for you to build your credit and improve your credit scores by showing how you manage credit on a regular basis of your card's credit limit. One of the biggest misconceptions today is that having no credit is a good thing. If you have no credit, it means creditors don't have a good way to predict how likely you are to pay your bills as agreed.

6 DON'T OPEN MULTIPLE ACCOUNTS IN A SHORT TIME

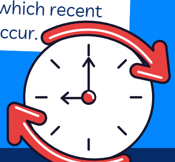
Don't open multiple accounts too quickly, especially if you have a short credit history. This can look risky because you are taking on a lot of possible debt. New accounts will also lower the average age of your existing accounts which is something that your credit score also considers.

7 ONLY KEEP ACCOUNTS YOU USE OPEN

As long as you continue to make all your payments on time and are careful not to over-extend yourself, open credit card accounts will likely have a positive impact on your credit scores. The two most important factors in credit scoring are your payment history and your utilization rate. Your utilization rate is also known as your balance-to-limit ratio. It is calculated by taking the total of all your credit card limits and dividing that by the total of your credit card balances. Take the initiative to close your accounts that do not have regular activity, before the company does. When a credit card account is closed by the issuing company, it can affect your credit by lowering your credit utilization.

8 SHOP FOR A LOAN WITHIN A FOCUSED PERIOD OF TIME

Credit scores distinguish between a search for a single loan and a search for many new credit lines, based in part on the length of time over which recent requests for credit occur.



9 ONLY OPEN ACCOUNTS THAT ALIGN WITH YOUR LONG-TERM GOALS

Credit cards that align with your travel or daily spending habits are great options. Try to stay clear of store cards and instant discount credit cards as they are easily forgotten about, accrue unnecessary debt, and are sleepers for long term issues on your credit report.

10 CONSULT A MORTGAGE PROFESSIONAL

We are experts in the industry-plain and simple. More often than not, a mortgage professional can help provider education, resources, and strategies designed to help you meet your financial goals.