

What to do with your credit report:

- Scan the report for an errors. If you find an error, contact the bureau and report it.
- Look for any old problems over seven years old: These should be gone. If they aren't, contact the bureau and have them removed.
- Look for any collections or unpaid debt: Clear them up by paying them right away. It won't remove them from your credit report, but it will show that they were taken care of
- Create a plan to improve your credit score.

Improve your credit score:

- Pay your bills
- Pay your bills on time or before they're due
- Pay off your debt
- If you can't pay off your debt, pay it down to at the very least 30% and ideally 10% of your outstanding credit. For example, if you have a credit card with a \$10,000 limit, your balance needs to be below \$3000 or, even better, \$1000. ($3,000/10,000 * 100 = 30\%$) Make sense?
- Don't close unused or paid off credit cards. Closing them will lower the amount of available credit and increase the debt percentage calculation from the last bullet point, lowering your credit score.
- Pay on your credit cards twice a month instead of once. This will do two things: 1. It will pay down your debt faster by reducing the amount of interest (the balance will be lower when interest is calculated once a month.) and 2. It will show on your credit report that you're working hard to pay off your debt.
- Do NOT open any more credit cards. Not even for a discount on your purchase! It may be tempting, but don't do it.
- Stick to the plan you created!

It will take time and it won't happen overnight, but you can increase your credit score and keep it up in the good to excellent range. I know you can!

Check out the different ranges from the Experian website to give you a better idea of where you're headed and what it means:

800 +: Indicates an exceptional FICO Score and is well above the average credit score. Consumers in this range may experience an easy approval process when applying for new credit.

740 to 799: Indicates a very good FICO Score and is above the average credit score. Consumers in this range may qualify for better interest rates from lenders.

670 to 739: Indicates a good FICO Score and is in the median credit score range. Consumers in this range are considered an "acceptable" borrower.

580 to 669: Indicates a fair FICO Score and is below the average credit score. Consumers in this range are considered subprime borrowers and getting credit may be difficult with interest rates that are likely to be much higher.

579 and lower: Indicates a poor FICO Score and is considered to be poor credit. Consumers may be rejected for credit. Credit card applicants in this range may require a fee or a deposit. Utilities may also require a deposit. A credit score this low could be a result from bankruptcy or other major credit problems.