



You want to increase your credit score, but HOW?

If your credit score isn't as high as you'd like it to be, you're not alone. It takes time to increase your score, but following a few simple steps will help you do this.

1. Your payment history is one of the most important factors of your credit score. **You can make a positive difference in your credit score by paying all of your bills on time every month.** If you're behind on any payments, try to get them current as soon as you can. **Use tools like automatic payments to help make sure you're on time every month.**
2. Pay down your debt and keep your balances low on credit cards. Take the total of all of your credit card balances and divide it by the total of all of the credit limits. **This is called your credit utilization ratio.** A general rule of thumb is to keep your credit utilization ratio at 30% or less. **To get there, focus on paying down credit card debt and avoid making new purchases using your credit cards.**
3. Once you've paid off a credit card balance, **don't close the card!** This is a common mistake that people make that negatively affects their credit score. Closing the card lowers your overall available credit limit, which then affects your credit utilization ratio. **Keep your unused credit cards open as long as they don't cost you money in annual fees.**
4. **Only apply for credit that you need.** Credit scoring formulas look at your recent credit activity as a signal of your need for credit. If you apply for a lot of credit over a short period of time, it may appear to lenders that your economic circumstances have changed for the worse (Source: Consumer Financial Protection Bureau).

Remember, it takes time to build or rebuild your credit score, but you can do it! Tioga Opportunities, Inc. is here to help you.

