

▶▶▶ Improving Your Credit Score

Please note: This sheet provides some basic information about credit. Academy Mortgage and its employees do not provide credit repair or credit counseling services. You should seek independent information and advice before taking any course of action. Additional resources are listed at the bottom of this sheet.

Where can I get my credit report?

Three credit bureaus produce reports: Experian, Equifax, and Transunion.

- Receive one free credit report annually at annualcreditreport.com.
- Get a free credit score, report, monitoring, and information at creditkarma.com.
- Credit monitoring service is available for a fee at myFICO.com.
- According to Experian.com, "The credit risk factors provided with your score are important. They identify what elements from your credit history are having the greatest impact so that you can take appropriate action."



How is a credit score calculated?

The following criteria are typically a major part of the calculation:

- **35%** — payment history: Your consistency in making on-time payments.
- **30%** — total amount owed: Includes the ratio of what you owe to your available credit amount.
- **15%** — length of credit history: How long you've been using credit.
- **10%** — new credit accounts and inquiries: Accounts you've recently opened and creditor inquiries.
- **10%** — types of credit in use: Includes credit cards, installment loans, mortgages, etc.

How can I improve my credit score?

- **Pay bills on time consistently.** This is the most important factor. Late payments can have a major negative impact on a credit score.
- **Keep balances low on credit cards and other revolving credit.** Keep credit card balances below 50% of the approved credit limit. High debt can negatively affect a credit score.
- **Apply for and open new credit accounts only as needed.** According to Experian.com, "Don't open accounts just to have a better credit mix. It probably won't improve your credit score."
- **Pay off debt rather than moving it around.** Experian.com says, "Don't close unused cards as a short-term strategy to improve your credit score. Owing the same amount but having fewer open accounts may lower your credit score."

How long does it take to rebuild a credit score?

Many credit score "quick fix" articles are available online. But Experian.com notes that the length of time to rebuild a credit score depends on the seriousness of the reasons for a lower score. You can dispute errors and old negatives with the credit bureaus.

Additional resources

www.experian.com
www.equifax.com
myFICO.com

Contact us today with any questions you might have.

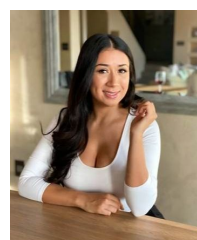


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