



FINANCIAL FITNESS SERIES 2010!

The 3rd Annual Financial Fitness Series is featured in our weekly bulletins, and also here on our website – www.spcbc.com. Tips will be updated weekly through January 10th through February 28th to help you strengthen your financial future in 2010!

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7 Steps to Boost Your Credit Score

Source: dolans.com

During this financial crisis, your credit score is more important than ever. The higher your score, the more likely that you will be able to get credit and the lower your interest rates are going to be.

A credit score can range from as low as 300 to as high as 850. If yours falls in the 760 to 850 range, you're golden - you'll enjoy the best financing rates around and will get approved for loans (in amounts that you qualify for) quickly and easily. On the other hand, if you're in the 600 to 650 range, you could be paying HUNDREDS of dollars more in interest each month - that is, IF you get any new credit at all.

If your credit score falls below 650, you can raise it 100 points or more by following the following tips. Read on....

4. Pay down as much of your debt as possible.

If you have \$10,000 in credit across several accounts and have outstanding balances totaling \$9,999 of it, chances are your credit score is lower than it should be - even if you make your payments on time!

That's because lenders and credit bureaus look at your debt-to-credit ratio to judge how credit-worthy you really are. The lower your ratio, the higher your credit score.

However, keep in mind this doesn't mean you should open up NEW credit accounts in order to make that ratio smaller.

5. Don't ditch your accounts unless you have to

If you've paid off or are getting ready to pay off a slew of credit cards, you might be tempted to ignore the following advice, but we hope you don't.

Here it is: Do NOT close those accounts!

In the crazy credit score logic, canceling a credit card could hurt your score. On the contrary, old cards you don't use much any more (and even those with untapped credit) may actually help your score! Instead of cancelling, simply cut up the card.

6. Negotiate your spotty records

You CAN clean up spots and stains on your credit report that may be preventing you from getting new credit. It just takes a little elbow grease.

Since creditors are the ones who report problems to the credit bureaus in the first place, you need to contact the company directly in order to have those problems removed. (Word of warning: You CAN do this yourself without using a paid service.)

7. Dispute problem areas wherever possible

If you have inaccurate information on your credit report and you've unsuccessfully tried to correct it with the creditors, lodge a complaint with the credit bureau.

By law, they have to remove the disputed item for 30 days. If they can't find evidence to corroborate your story, they will put the bad mark back on your report, BUT you can then insert a 100-word note within your credit report. You can also have the word "disputed" listed next to any item on your report with which you disagree.

Whatever you do, don't just sit back and do nothing. These are your rights and it's up to you to fight for your credit!