

7 Tips for Improving Your Credit Score

An important step to finding a home, whether you're renting or buying, is ensuring that you have a good credit history. The Stephenson National Bank & Trust suggests the following tips to improve your credit score.

1. Request a copy of your credit score report – and make sure it is correct.

Your credit report illustrates your credit performance, and it needs to be accurate so that you can apply for other loans – such as a mortgage. Everyone is entitled to receive a free copy of his or her credit report annually from each of the three credit reporting agencies, but you must go through the Federal Trade Commission's (FTC) website at: www.annualcreditreport.com, or call 1-877-322-8228. Note that you may have to pay for the numerical credit score itself.



2. Set up automatic bill pay.

Payment history makes up 32 percent of your VantageScore credit score and 35 percent of your FICO credit score. The longer you pay your bills on time, the better your score. Avoid missed payments by setting as many of your bills to automatic pay as possible. [Learn about SNBT Online Bill Pay](#) and use it to schedule regular payments.

3. Build credit through renting.

VantageScore's scoring model, created by the three major credit bureaus, will now weigh rent and utility payment records. This will allow it to score as many as 35 million people who previously couldn't get a credit score.

4. Keep balances low on credit cards and 'revolving credit.'

Racking up big credit card balances can hurt your credit score, regardless of whether you pay your bills in full each month. You often can increase your credit score by limiting your charges to 30 percent or less of a card's limit.

5. Apply for and open new credit accounts only as needed.

Keep this in mind the next time a retailer offers you 10 percent off if you open an account. However, if you need a new line of credit, don't jump at the first appealing offer; compare rates and fees offered through mail solicitation, on the Internet or at your local bank.

6. Don't close old, paid off accounts.

According to FICO, closing accounts can never help your score and can in fact damage it.

7. Talk to credit counselors if you're in trouble.

Using legitimate, non-profit credit counseling can help you manage your debt and won't hurt your credit score. For more information on debt management, contact the National Foundation for Consumer Credit (www.nfcc.org).