

Tips for improving your FICO score.



1. Keep balances low. A lender may not be willing to offer you additional credit if your current debt level is too high. Keeping your overall debt level low for non-mortgage related debt will improve your credit standing. Plus, a low debt level will work in your favor when a lender calculates your debt-to-income ratio when apply for a home or car loan.

2. Pay off debt, don't move it around. The most effective way to improve your credit score in this area is by paying down your revolving credit. In fact, owing the same amount but having fewer open accounts may lower your score not improve it.

3. Revolving versus fixed – know the difference. A credit card is considered to be a “revolving” line of credit while most consumer loans are considered to be fixed lines. Having too many revolving lines of credit can hurt your score because the monthly payment amounts can fluctuate significantly each month.

4. Manage your available credit. Even if you pay your credit card bills on time each month – or carry a zero balance on some – the amount of credit that is available to you can hurt your credit score. If your combined available spending limits are truly more than you need, ask the credit card companies to lower the ceiling. In this area, too much of a good thing is not helpful!

5. Keep your oldest account open. The length of your credit history accounts for 15% of your credit score. It's important to keep your oldest line of credit open as long as possible, even if it's a credit card you no longer use. Continue to monitor the activity on this account to prevent any fraudulent use by others, but keep it open just the same.

For more information call us at **1-800-708-6684** or visit **www.citizensbank.com/edu**

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