



MANAGING YOUR CREDIT SCORE

Here are some fundamentals to guide you in establishing and maintaining a healthy and legitimate score. Recent tallies show **almost a third of U.S. credit scores fall below 649**. While not impossible, acquiring a mortgage loan will likely be more complex and expensive at this level than with higher scores.

Do not open new store credit cards just to save on a purchase. New accounts can lower your score, and too many payments can be difficult to manage. Saving 10% on a \$300 lawn mower means little if it leads to an even slightly higher rate on a \$300,000 home loan.

Do not open new accounts to transfer balances for an introductory rate. In addition to possibly lowering your score, these offers often have traps. Instead, use them to leverage a lower rate from your existing card company.

Do not close old accounts. If you have a good record of payments on old ac-

counts, these will benefit your score. Using them occasionally and conservatively will keep them active and contribute toward a good score.

Do not be afraid to use credit. Without credit, you will have no score, which can be just as bad as a low one.

Keep a high credit line and a low balance.

Credit utilization ratios measure this relationship, and lower is better. Maintain a variety of account types. A combination of revolving, installment, secured financing, and excellent payment records will yield a higher score.



Questions about managing your credit? **We are here to help.**

