



# 8 WAYS TO IMPROVE YOUR CREDIT SCORE



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CREDIT SCORE

## WHAT IS A CREDIT SCORE?

Credit scores typically range from 300 – 850 and help lenders measure how likely you are to pay your debts. Higher scores indicate that a person is more likely to pay, while a lower score indicates that a person is more likely to miss payments or default on a loan. Lenders use your credit score to determine your eligibility for loans (home, personal, auto, student, etc.) and credit cards.

Often, people with higher scores are able to get lower interest rates, so it's in your best interest to try to raise your score before you apply for a mortgage or if you want to refinance your current mortgage to get a better rate. Here are 10 things that you can do to raise your credit score.

**1 Pay ALL of your bills on time, every single month**  
Late payments lower your score, so build a history of on-time payments to build a better score.

**Pro tip: set up automatic payments for your recurring bills so you never miss a due date.**

**2 Pay off any accounts that have gone to collections**  
You may need to get in touch with the collections agency to establish a payment plan, but the sooner you get the overdue debt paid off, the better.

**3 Download a credit monitoring app**  
There are many free apps available that help you catch suspicious changes to your account before they destroy your credit.

**4 Keep your debt low**  
Your credit score improves when you have available, but unused credit. As often as possible, pay off your credit cards in full each month.

**Your debt-to-income ratio (DTI) compares your monthly debt to your monthly income. Having less debt improves this ratio, which can help boost your score.**



**Credit check**

## 5 **Open a credit card to build your credit history**

If you've never had a credit card or other monthly bills to pay, you may have a low score simply because you don't have a long credit history. Consider applying for a credit card and using it and paying the balance off in full each month.

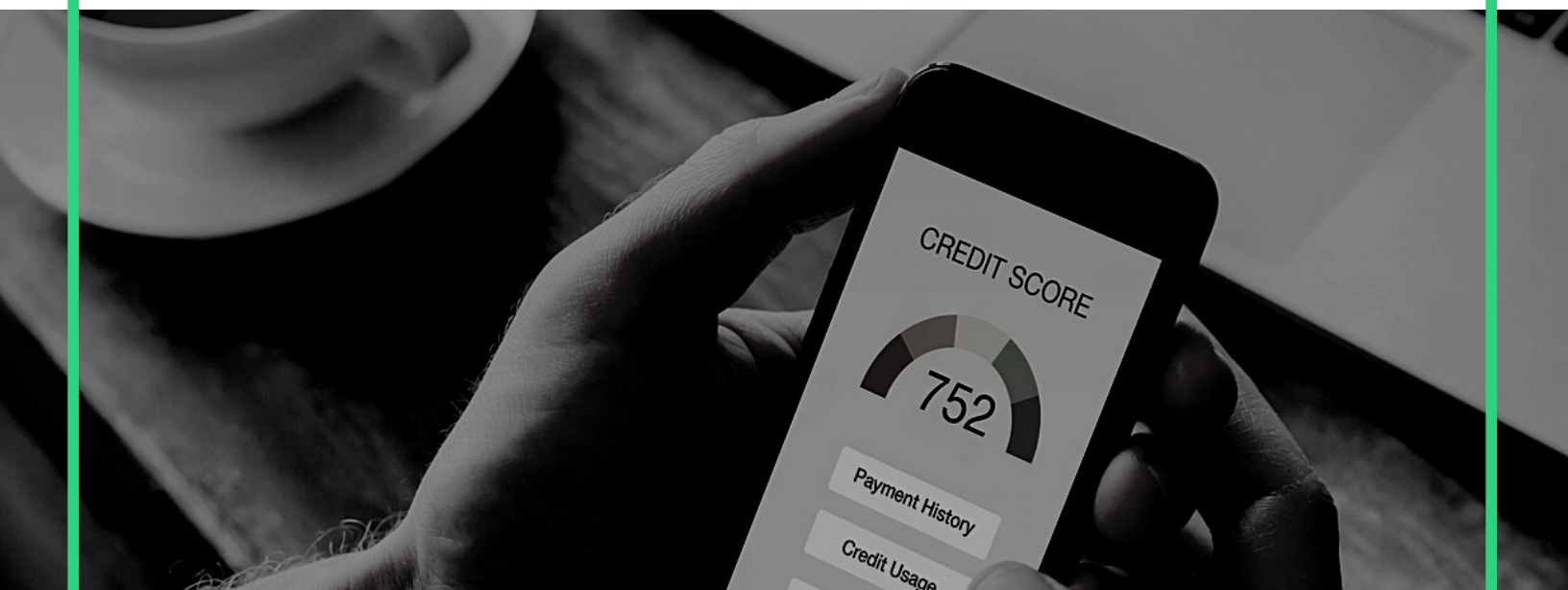
## 6 **Don't open multiple credit cards at once**

Having credit cards and paying them off each month can help you build credit if you don't have a very long credit history. However, opening several new credit card accounts within a few months may hurt your score. To a creditor, it may look as if you're about to rack up a lot of debt, which makes you risky.

## 7 **Keep old credit cards, even if you aren't using them**

If you aren't using an old card anymore, consider keeping the account open to lengthen the overall age of your credit. Also, having a card with a \$0 balance helps increase the amount of unused credit that you have.

All things being equal, someone with a 10+ year line of credit will usually have a higher score than someone with a new line of credit, even if they both pay off the balance each month.



## 8 Download a copy of your credit report

You're entitled to a complete copy of your credit report each year without a negative impact on your score, so pull your report each year. Check it carefully and dispute any inaccuracies.

Possible errors may include incorrect personal information, late payments that you actually made on time, or accounts that you did not personally open (fraudulent accounts).





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CREDIT REPORT

Your Credit Score

**780**

Excellent

Not only will we be the most personable mortgage lending company you ever come into contact with, but we also are able to help our customers get started with six different loan programs. Each program has different requirements and strengths, and we are here to help you figure out which one will work best for you and put you in the best situation to buy your dream home.

## CONTACT US:

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Please reach out to **Lincoln Lending** for further questions or for help with purchasing a home or refinancing your mortgage.

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