



5 Ways To Improve Your Credit Score In A Year

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1. Check your credit report

- It all begins with the credit report.
- Request copies from the three major bureaus on the Annual Credit Report website and examine all the data.
- Pay attention to late payments and unpaid bills.
- Sometimes the information on the report is inaccurate. contact the credit bureau with the incorrect data.
- When you contact the bureaus, do so in writing. Bureaus must verify the debt within 30 days or you can demand that they take the debt off your report.



2. Pay off or reduce the amount you owe

Credit Utilization ratio:

- It's not about how much you owe, but how much you owe compared to your available credit. It contributes to your overall score.

EXAMPLE:

- you have \$10,000 in available credit along with a \$5,000 balance you owe. Your credit utilization is 50 percent, which is above the ideal threshold of 30 percent. For a \$10,000 credit limit, you should never charge a dime above \$3,000 in order to remain on the safe side.

$$\text{Credit Utilization Ratio} = \frac{\text{Amount Owed}}{\text{Amount Available}}$$

3. Request that your creditors increase your credit limit

- An increase in your credit limit will enhance your existing credit utilization ratio.
- If you have had a good credit score, your creditor will agree to increase the limit.
- Don't raise your spending to match, this would defeat the purpose of obtaining additional credit.
- If your creditor balks at that idea of considering your credit increase, think about applying for a new card.

Congratulations! You will receive a credit line increase of \$1,500.

To select a lower amount, please adjust the slider below. If you leave this page without continuing or canceling your request, you will receive the maximum credit line increase displayed on screen.



4. Pay Your Bills On Time

- The ability to pay bills on time is the leading factor in a credit score. This means simply ensuring that if you do have the money, you don't hurt yourself by forgetting to pay bills when they are due.
- Set up automatic deductions or calendar reminders to help you ensure that your bills are paid when they are due. This will make a world of difference.



5. Get Added As An Authorized User

- If you can't apply for a new card and your creditor has denied increasing your limit, you can be added as an authorized user on someone else's card.
- This account will be displayed on your credit report. The report will then show the primary account holder's timely payment and credit utilization rate.
- Ensure that the account you are being added to is in good standing. Find someone who manages money well.

