



8 Great Tips to Improve Your Credit Score

Make these changes to your lifestyle and you can improve your credit score substantially.

These are some basic instructions for anyone to help **improve your credit score** and to keep you from getting into credit trouble.

Even if your credit score is already pretty good, chances are that it could benefit further from reading thru this list and following at least a couple of these tips to keep your score high.

These tips **may seem like common sense**, but to those people with a lot of debt, they can be more than a little difficult to follow.

Start with the one you think you can handle, and then slowly move up to the more difficult ones.

Common Sense Credit Tips

1. Pay Your Bills on Time

This seems like a simple concept, but poor organizational skills and spending habits can prevent you from doing this. Late payments will hurt your score tremendously.

If you think you will be having a problem paying a certain bill, **contact the creditor and explain the situation**. They will most likely be willing to work out a payment plan with you without reporting a late mark on your credit report.

The goal here is to develop a long history of paying on time.

2. Live On a Budget

If you don't have one yet, start one today. Following a [budget](#) cures overspending. There are new, [online-based budget programs](#) that are very easy to set up and follow.

3. Have 1 Credit Card

Try to hold on to 1 credit card and pay it off every month. This will help establish good credit history. Cut up all your other credit cards including gas cards, store cards and others. This is a must.

4. Keep Card Balances Low

If you need more than 1 credit card, try to keep your balances to a minimum. Avoid a high debt-to-credit limit ratio, which can lower your score. This goes for all your accounts. Use

the [debt snowball method](#) to kill off your debts 1 by 1, or hire a [professional debt negotiator](#) to help you settle your debts for less than full balance.

5. Avoid Playing the Balance Transfer Game

This is so tempting, and I did it for a long time. By [transferring balances](#) too often, you can lower your score. Too many revolving credit accounts are seen as a negative to the credit reporting agencies. Even if you close them after you're done with them, it still can damage your score.

By doing this, you are pretty much delaying the inevitable, which is defaulting on one or more accounts. **Shifting your debt around never removes it.**

6. Don't Go Crazy Opening New Accounts

If a lender sees a bunch of new credit inquiries or several accounts opened up in your name in a short amount of time, **you may appear to be soon overextended and perhaps a bigger risk.** This goes for all credit and loan applications, like mortgages and car or boat loans.

7. Check Your Credit Reports at Least Once a Year

[Get a free credit report](#) and review your credit report it carefully to make sure your accounts are being reported accurately. [Dispute inaccurate and unverifiable negative items.](#) Don't worry about checking your own credit report often. This doesn't affect your score.

8. Maintain Stability

Maintaining a stable lifestyle is one the biggest factors in improving your credit score.

Lenders prefer that their clients have a **history of being employed by the same company** for a few years and don't move around too much. This says to the creditors that you are a lower risk, thus your chance of getting a great interest rate will be much better.

The ingredients in maintaining a stable lifestyle are pretty simple. Here are the major ones:

1. **stay employed by the same employer for at least 3 years**
2. **live at the same address for several consecutive years**
3. **don't open new credit or loan accounts frequently**
4. **have a long record of on-time payments**

Wait! - Don't despair!

When all else fails, time is one of the only things that can be on your side when it comes to improving your score. A long credit history is viewed as a positive thing, because you present yourself as a known quantity to the potential lender.

The law is also on your side, because it requires that the credit reporting agencies to stop reporting your negative marks after seven years, with bankruptcy being the significant exception, staying on your report up to seven years.

Stick with it!

Remember - time is on your side when it comes to healing your credit. Keep doing the following as you pull yourself out of debt:

After you've cleaned up your credit report (or had a [reliable credit repair agency](#) do it for you), the best lifestyle change you can make is to **maintain lifestyle stability**.

Here's a few extra tips that will help you get your credit score to where you need it.

- **Increase your income**

Although this doesn't affect your score directly, it will help you avoid having to take out unnecessary loans and putting too much on your credit cards. [Having extra income](#) will improve your [debt-to-income ratio](#) and help you pay your debts faster.

Get a part-time job. Move into a higher paying career (if it's something you like). [Start an online business from your home](#). Keep learning!

- **Stick to your budget**

Revise [your budget](#) to your needs and tastes, but always spend less than you bring in.

- **Believe in yourself You CAN do it!**

Remember, keep at it. And you will start to see progress!