

Checklist for Improving Your Credit Score

THOMAS KRALOW

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- ☐ **Pay your bills on time.**

Tip: Set up automatic payments for monthly bills.

- ☐ **Diversify credit in your credit history** (e.g., vehicle loans, personal loans, and credit cards).

- ☐ **Only borrow amounts that you can afford to repay comfortably.**

- ☐ **Do not skip or miss any payments.**

- ☐ **Reduce your credit card debt and other revolving credit balances to less than 30% of your total available credit limit.**

- ☐ **Do not close old credit accounts, even if you don't use them.**

Tip: Do not close your first credit account (usually a credit card), occasionally making payments from it and paying them off on time.

- ☐ **Be thoughtful when opening new accounts, avoiding frequent credit inquiries in a short period of time.** New accounts with timely payments add positive information to your credit history.

- ☐ **Monitor your credit report to identify and correct errors or inaccuracies in a timely manner.**

- ☐ **Do not take on more debt than you can repay.** The income-to-credit payment ratio should be 4:1, or 3:1 for mortgages and home loans. Settle your credit card balances every month.

- ☐ **Be cautious of co-signing loans for others.** If any issues arise, such as a missed loan payment, it will negatively affect your credit history.