

# TAKE CHARGE of your credit

## Who knows more about your finances? You—or your automobile salesman?

Gone are the days when a hopeful couple sat across the desk from their local banker anxiously awaiting his decision on their loan application. Today, the fate of their loan and the rate of their interest hinges on a computer-generated number—their **credit score**.

## What's the score?

The **FICO credit score** reflects dozens of parameters in one's financial history. For years, this number—named for developers, Fair, Isaac & Company—was a tightly guarded secret. Congress has now secured your right to know—take advantage of it.

- Score 700 - 850—smooth loan process; best interest rates
- Score 550 - 699—medium risk; higher interest rates
- Score 300 - 549—sorry, no loans or credit cards

## Know Your Score.

Are you counting on a new car, a new roof, new furniture? Before you talk financing, send for your credit report and FICO score. If there are errors or other surprises, **contact creditors** to make corrections or negotiate settlements. Also, be sure to **notify the credit bureau** of your dispute.

Legitimate black marks on your credit won't disappear quickly. (It takes seven years; ten for bankruptcy.) However, time and your diligence can turn things around. Lenders will give recent responsible activity due consideration.

In our credit-driven society, taking charge of your credit should be an on-going process. Your FICO score is a snapshot in time, not set in concrete. Review it each year for errors that may have crept in and to monitor your progress. You have the power to **know it, raise it, maintain it.**

## WHAT HELPS:

- Pay all bills—and pay on time
- Maintain 2-4 credit cards
- Close unused credit or store cards
- Keep balances well below the limit
- Pay more than the minimums
- Establish long-term credit history

## WHAT HURTS:

- Too many credit cards or zero cards
- High non-mortgage debt
- Delinquent accounts
- Frequent job or address changes
- Charge Off's\* (bills marked uncollectible)
- Bankruptcy

\*A deal-killer; contact creditor, clear it up and clear it off.

## Big Three Credit Bureaus

(The cost to order a credit report/score ranges from free to \$12.50)

**Equifax Information Services, LLC**

800.685.1111  
www.Equifax.com

**Experian**

888.EXPERIAN  
www.Experian.com

**TransUnion LLC Consumer Disclosure Center**

800.888.4213  
www.TransUnion.com