



Ways to improve and maintain your credit scores.

- Pay your bills on time and pay them by level of importance. (1 Mortgage, 2 Auto Loan, etc.) If you are having problems making all your bills, always pay secured lines of credit first because you may lose the item you secured the loan with.
- Pay any current past due bills right away. Avoid any more 30, 60, 90, and 120 day late payments on your credit report. Ask your **DoctorCredit USA Credit Advocate** for advice on old outstanding bills or collection accounts; in most cases, it may not be in your best interest to pay these accounts.
- If you do not have a Checking or Savings account, open them up at a local Credit Union or Bank. This shows creditors you have established the ability to pay. New creditors may shy away from giving you new credit if they don't believe you have the ability to pay. This may also raise your credit score.
- Establish new positive trade lines or credit accounts. New positive trade lines will eventually prove to creditors that your credit problems are in the past. Keep your current positive trade lines in good standing, or pay as agreed. A positive trade line can be any credit account that is paid on time and maintained in a way that was intended in the original agreement. For example, this could be a new credit card, mortgage, or other loan. A new credit account in good standing will help your credit score much more than an old bad account will hurt your score. If you have positive accounts that are not reflected on your credit report, let your **DoctorCredit USA Credit Advocate** know so we can add it for you.

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- One of the quickest ways to improve your credit score is to pay down credit card balances. Credit card balances that are over 80% of your credit limit are very damaging to your credit score. Credit balances that are over 50% of your credit limit may be hurting your credit score. Keeping your credit balance under 30% of your credit limit is considered optimal.
- If your goal is to eliminate all credit card debt, **fantastic!** However, do not close down the accounts when you have a zero balance. This may be a positive trade line, and it shows you have available credit you are not using. This proves to creditors and the credit bureaus that you are a responsible user of your credit accounts and the credit system in general. You will also lose the **good credit history** you have established on this account when you close it down.
- Remember that after 6 months of no activity, these accounts will not affect your score. For this reason it is recommended that you use these credit cards several times per year, but pay off the balances as soon as you get the bill. We recommend that you use your cards for something that is already in your current budget, such as gasoline or groceries. This activity will affect your credit score in a positive way. Remember to always keep your balances under 30% of your credit limits for an optimal credit score.
- Do not keep too many credit card accounts open. The exact number is hard to determine because the different bureaus use different scoring models. However, research has shown that 3 credit card accounts in good standing are good for your ongoing credit history.
- If you have an excessive number of accounts, wait 6 months after paying off the balance to cancel them. By doing this, the closings will be viewed in a less negative way. When closing these accounts ask the card provider for a **hard close**. This will ensure that nothing else can be applied to that account after it has been closed. This will protect you from getting a late pay for charges you might not have been aware of hitting your account after the account has been closed. Your credit report will also reflect that this account was “closed by the consumer.”
- Once you have established a good credit score, call your credit card company and request a raise in your credit limit if you are going over the 30% threshold on a regular basis. Remember that if your credit scores are high you are also in a good negotiating position to ask them to lower your interest rates as well.

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- While having a mix of different credit accounts on your credit file is considered positive (Mortgage, Auto Loan, Installment, and Revolving), some are viewed more negatively than others. Avoid Finance Companies as these accounts are considered negative, and instead use Credit Unions and Banks for your loans. Department Store and Gas Cards are rarely a good value, and while they can be considered a positive trade line, major credit cards like Visa, MasterCard, American Express, and Discover carry more weight with the credit bureaus and creditors.
- It is not a good idea to have too many installment loans. Mortgage, and Auto installment loans in good standing are very positive, too much beyond that may begin to hurt you. The bureaus believe if you have too many installment loans you may not have the funds to pay your other obligations. They may also hurt your Debt to Earning ratio.
- Credit inquiries instigated by you may affect your credit scores. Inquires can remain on your credit report for up to 2 years. For this reason do not make frivolous inquires. Only apply for credit on the things you truly need, and can afford to repay. Every time you fill out and submit a credit application to a Mortgage Broker, Auto Sales, Cell Phone, Apartment Complex, or Credit Card Company an inquiry is added to your credit report.
- In most cases, being a co-signer or guaranteeing someone else's loan is a **bad idea!** Doing this may hurt you and open your credit file to other people's mistakes which may legally hurt your credit score. **Don't give away control of your credit report**, which is what you are doing when you become a co-signer. If for whatever reason your co-signer does not pay, or has a late pay it will affect both of your credit reports negatively. The same is true for Apartments or Housing. If you help a friend or loved one with monetary assistance the most you can lose is the money, but if you co-sign the loan you could hurt your credit file for the next 7 years.
- Remember that as bad credit becomes your past, good credit becomes your future. Credit history accounts for 15% of your credit score. Good trade lines or accounts that are open for more than 5 years are very beneficial to your credit score. For this reason try to develop long standing relationships with your creditors.
- Identity theft is the fastest growing crime in the United States, and if you become a victim your credit file will suffer damage that will last for years. A 2003 Federal Trade Commission Survey found that nearly 10 million people in the United States were victims in the last year, costing them \$5 billion plus a total of 300 million

www.ftc.gov/os/2003/09/synovatereport.pdf) Let **DoctorCredit USA** suggest a credit monitoring and identity theft solution for you. By monitoring your credit reports you reduce the chance that you will be a victim.

- Protect all your personal information and accounts. Do not carry your Social Security Card in your purse or wallet. Memorize your number and leave the card at home locked up with the rest of your important papers. The number one piece of personal information that an identity thief covets is your credit report because it contains all the information they need to steal your identity. Always keep it locked up until you are finished using the current copy then shred it. It is also a good idea to shred all papers containing personal information so it cannot be retrieved by dumpster divers.
- **DoctorCredit USA** also recommends that you use the 1-800-5OPT-OUT (1-800-567-8688) to Opt-Out of pre-screened credit offers with the three credit bureaus. This will also reduce the chance that you will become a victim of identity theft through mail fraud or theft.

"Credit history accounts for 15% of your credit score."

Remember, we'll be happy to answer all of your questions with a FREE consultation. Just call us at **1-(877)-DrCredit** and start enjoying better credit for a better life.