Tips to Increase Your Credit Score

1. Don't Miss Payments

Your payment history is one of the most important factors in determining your credit scores, and having a long history of on-time payments can help you achieve excellent credit scores. To do this, you'll need to make sure you don't miss loan or credit card payments by more than 29 days—payments that are at least 30 days late are reported to the credit bureaus and hurt your credit scores.

Setting up automatic payments for the minimum amount due can help you avoid missing a payment (as long as you're careful not to overdraft your checking account). If you're having trouble affording a bill, reach out to your lender or card issuers right away to try and discuss hardship options.

Staying on top of accounts that don't usually appear on your credit report (e.g. gym memberships and subscription services) can also be important. The on-time payments might not help your credit, but the account being sent to collections could still cause your scores to dip.

2. Catch Up On Past-Due Accounts

If you're behind on your bills, bringing them current will help. While a late payment can remain on your credit report for up to seven years, having all your accounts current can be good for your scores. Additionally, it stops further late payments from being added to your credit history as well as additional late fees.

For those having trouble with credit card debt, talking to us and getting on a debt management plan could be a good option.

3. Pay Down Revolving Account Balances

Even if you're not behind on your bills, having a high balance on revolving credit accounts can hurt your score. Revolving accounts include credit cards and lines of credit. Keeping a balance of less than 50% of the credit limit can help you improve your scores.

4. Limit How Often You Apply for New Accounts

While you may need to open accounts to build your credit file, you generally want to limit how often you submit credit applications. Each application can lead to a hard inquiry which may hurt your scores. Inquiries can add up and have a compounding effect on your credit scores. Opening a new account will also decrease your average age of accounts, and that could also hurt your scores.

Inquiries and the average age of your accounts are minor scoring factors, but still be cautious about how many applications you submit. One exception is when you're rate shopping for certain types of loans, such as an auto loan or mortgage. Credit scoring models recognize that rate shopping isn't risky behavior and may may ignore some inquiries if they occur within the span of a couple of weeks.

5. Keep Positive Reporting Old Accounts Open to Offset Credit Mistakes

Accounts with long standing positive payment history help decrease the impact of credit mistakes such as late payments. Keeping those accounts open help offset a late payment or two once those late payments are paid and kept current.