

# Improving Your FICO® Score

## Payment History Tips

- **Pay your bills on time.**  
Delinquent payments and collections can have a major negative impact on your score.
- **If you have missed payments, get current and stay current.**  
The longer you pay your bills on time, the better your score.
- **Be aware that paying off a collection account will not remove it from your credit report.**  
It will stay on your report for seven years.
- **If you are having trouble making ends meet, contact your creditors or see a legitimate credit counselor.**  
This won't improve your score immediately, but if you can begin to manage your credit and pay on time, your score will get better over time.

## Amounts Owed Tips

- **Keep balances low on credit cards and other “revolving credit”.**  
High outstanding debt can affect a score.
- **Pay off debt rather than moving it around.**  
The most effective way to improve your score in this area is by paying down your revolving credit. In fact, owing the same amount but having fewer open accounts may lower your score.
- **Don't close unused credit cards as a short-term strategy to raise your score.**
- **Don't open a number of new credit cards that you don't need, just to increase your available credit.**  
This approach could backfire and actually lower score.

## Length of Credit History Tips

- **If you have been managing credit for a short time, don't open a lot of new accounts too rapidly.**  
New accounts will lower your average account age, which will have a larger effect on your score if you don't have a lot of other credit information. Also, rapid account buildup can look risky if you are a new credit user.

## New Credit Tips

- **Do your rate shopping for a given loan within a focused period of time.**  
FICO® scores distinguish between a search for a single loan and a search for many new credit lines, in part by the length of time over which inquiries occur.
- **Re-establish your credit history if you have had problems.**  
Opening new accounts responsibly and paying them off on time will raise your score in the long term.
- **Note that it's OK to request and check your own credit report.**  
This won't affect your score, as long as you order your credit report directly from the credit reporting agency or through an organization authorized to provide credit reports to consumers.

## Types of Credit Use Tips

- **Apply for and open new credit accounts only as needed.**  
Don't open accounts just to have a better credit mix - it probably won't raise your score.
- **Have credit cards - but manage them responsibly.**  
In general, having credit cards and installment loans (and paying timely payments) will raise your score. Someone with no credit cards, for example, tends to be higher risk than someone who has managed credit cards responsibly.
- **Note that closing an account doesn't make it go away.**  
A closed account will still show up on your credit report, and may be considered by the score.

