

# Improve Your Credit Score In A Bad Economy

(NAPSA)—In today's economy, your credit score is more important than ever. Why? It's simple math—a credit score that was good enough to get you a loan in the past might not pass muster in the current economic climate. It's essentially a double whammy for consumers: While the unemployment rate climbs and people find it harder to pay their bills (which can decrease a person's credit score), lenders are requiring higher credit scores than ever to obtain financing.

Remember, your credit score affects virtually every major financial transaction you make, from buying a house or car, to purchasing insurance or applying for a credit card. The score can influence what interest rate you receive or whether you are approved at all.

Everyone who ever borrowed money or used credit has a score that reflects how that credit was handled. It ranges from 300 (poor credit) to 850 (excellent credit), and is based on how much credit you have, how much money you owe and if you have made past payments on time.

"Today, a number of people who seek automotive financing have some blemishes on their credit records," says Steve Bowman, chief credit officer at AmeriCredit, one of the nation's leading independent automobile financing companies. "Any time you open a new credit card, apply for a loan or fail to make a payment on time, that information is reported to the credit bureaus and affects your score."

Even during uncertain economic times, it's never too late to improve your credit. When it comes to raising your credit score, the sooner you take action, the better. Here are some tips for



**An improved credit score can help you qualify for lower interest rates and save you money.**

understanding and improving your score:

- **Make sure your credit report is accurate.** Visit [www.annualcreditreport.com](http://www.annualcreditreport.com) to get one free credit report per year from each of the three credit bureaus—TransUnion, Equifax and Experian. Report any errors immediately because they will affect your score.

- **Pay your bills on time.** If you have missed payments, get current on your bills and stay current. You can often ask your creditor to move the due date of your bills to a different time of the month.

- **At least meet the minimum.** If you can't pay off the balances of your credit cards each month, meet the minimum monthly payments.

- **Don't hit all your credit limits.** Some experts recommend you keep your balances at 50 percent of your credit limit or less.

- **Close accounts you don't use, except for some of your oldest accounts.** When deciding which accounts to close, consider closing the accounts with annual fees or the highest interest rates first.

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For more information, visit [www.americredit.com/creditinfo](http://www.americredit.com/creditinfo).