

# MANAGING YOUR MONEY

From the Federal Reserve Board



## Five Tips For Improving Your Credit Score

(NAPSA)—More people are getting credit for understanding just how important a credit score can be. These scores are not just used to obtain credit. They can also influence the interest rate you pay, the car insurance rate you get and may even help an employer decide whether or not to hire you.

The Federal Reserve Board has information online, including these tips for consumers:

**1. Get copies of your credit report and check the information.** Go to [www.annualcreditreport.com](http://www.annualcreditreport.com). This is the only authorized online source for a free credit report. Under federal law, you can get a free report from each of the three national credit reporting companies every 12 months.

You can also call (877) 322-8228 or complete the Annual Credit-Report Request Form at [www.ftc.gov/bcp/online/include/requestformfinal.pdf](http://www.ftc.gov/bcp/online/include/requestformfinal.pdf) and mail it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348.

**2. Pay your bills on time.** Setting up automatic payments from your bank account can help.

**3. Learn how your credit score is determined.** Factors include:

- Whether you pay your bills on time;
- The level of your outstanding debt and how close you are to your credit limit;
- The length of your credit history. A short history can be offset by regular payments and low balances;
- The amount of new credit you've applied for recently. Applying for too many new accounts can negatively affect your rating;



**Checking your credit report gives you the opportunity to correct any mistakes that might cost you money later on.**

- The number and types of credit accounts you have. A mix of installment loans and credit cards may improve your score.

To learn more, see the Federal Trade Commission (FTC) publication on credit scoring at [www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre24.shtm).

**4. Learn the legal steps you must take to improve your credit report.** The FTC's "Building a Better Credit Report" ([www.ftc.gov/bcp/edu/pubs/consumer/credit/cre03.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre03.shtm)) has information on correcting errors, dealing with debt and avoiding scams.

**5. Beware of credit repair scams.** Doing it yourself may be the best way to repair credit. The FTC's "Credit Repair: Self-Help May Be Best" ([www.ftc.gov/bcp/online/pubs/credit/repair.shtm](http://www.ftc.gov/bcp/online/pubs/credit/repair.shtm)) explains how you can improve your credit worthiness and lists legitimate resources for low-cost and no-cost help. For more information, visit [www.federalreserve.gov](http://www.federalreserve.gov).