

# Your Finances

## Give Credit Where It's Due: Build Your Credit Score

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(NAPSA)—You don't just need good credit to buy a home or car—your credit history can determine whether you get a good job, a decent apartment or reasonable rates on insurance.

Paying bills late, maxing out your credit cards or applying for too much credit at once can haunt your credit record for years.

One of the first things you should do to establish good credit is to get your credit report from the three major bureaus, Equifax, Experian and Trans Union. These reports are used to rate your credit score. Check them to make sure everything is accurate and no one has used your name to open a bogus account. If that has happened, clean up your credit report before applying for new accounts. The Federal Trade Commission has information that can help.

Another good idea is to open checking and savings accounts. Lenders see these accounts as signs of stability.

It helps to understand the basics of credit scoring. The two most important factors are paying bills on time and not using all your available credit. It's essential that you pay all your bills on time, all the time. One late payment can stay on your credit record for seven years. Keep credit use to less than 30 percent of the limit to get the best possible score and keep debt manageable.

The fastest way to establish a credit history can be to "borrow" another's record, either by being added to a credit card as an "authorized" or joint user or getting someone to co-sign a loan for you. If you pay the loan off responsibly, it will help boost your credit score. If you don't, it can hurt your score and the score of the person



**There are some easy ways to build credit while you're in your 20s so you rate a good credit score when you need it.**

who co-signed it.

You may want to apply for credit while you're a college student, since it's easier to get credit then. Look for a card with a low or nonexistent annual fee and low interest rates. If you can't get a regular credit card, consider applying for a secured version. These require you to deposit money with a lender. Your credit limit is usually equal to the deposit. Watch out for outrageous application or annual fees and high interest rates.

Other ways to build credit include getting a finance company card from a gas company or department store, but too many can have a negative effect on your credit. Another good idea is to get an installment loan (auto loan, personal loan or mortgage). Keep the duration short.

Use revolving accounts lightly but regularly so that your account is updated on a regular basis.

Check out Microsoft's Money's Credit Center which offers consumers a wealth of credit and debit related tools information and guidance, as well as free credit report and monitoring from Experian. You can visit the Web site at [www.moneycentral.msn.com/home.asp](http://www.moneycentral.msn.com/home.asp).