

Taking care of your credit – it pays!

Taking care of your credit – keeping it healthy so to speak – is vital to **saving you tens of thousands of dollars in your lifetime.**

Here are a few things to ensure you are doing the right things to improve your credit or keep it in tip-top shape.

Different credit scoring models evaluate your credit information in a variety of ways – the categories below are how Equifax – one of the three major credit reporting bureaus – determines your score:

PAY YOUR BILLS ON TIME – this is around **35%** of your score.

KEEP YOUR DEBTS LOW – This accounts for about **30%** of your score. Don't max out your credit lines just because it's available.

TYPE OF CREDIT USED: Showing you can handle a mix of credit reflects well on your ability to manage your money. This accounts for **15%** of your credit score.

NEW CREDIT: This is **10-12%** of your score. This would include credit inquiries, new lines of credit you've acquired and balance of open accounts.

MAINTAIN A HISTORY: – The longer you have history, the better. If you have had a credit card for many years, closing it could make it appear you have had credit established for a shorter amount of time. This accounts for **5-7%** of your score.

This information can be found at <https://help.equifax.com>. This information dated: 12/16/2013.

A few things available at NEAFCU to assist you in staying on track with your credit score:

- **Online BillPay** can help you pay bills on time and keep a record of payments – all in one location.
- **Credit-builder loans and credit cards** allow you to use your own money and take out a loan. Over time, and with repayment as agreed, your credit can start to improve.
- **Payroll deduction or automatic transfer to build savings and help pay loans regularly and on time.**

You are entitled to a free credit annually from Equifax, Experian and Transunion by visiting:

annualcreditreport.com

It's free to get your report; however, there is a charge to get your score. When you pull your credit this way, it does not affect your score.

Consider looking at one bureau per quarter – this is a great way to keep on top of your credit – find errors and report them and also ensure you haven't been a victim of Identity Theft.



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