Credit Tips  
Learn the key areas on which to focus when it comes to your credit.

5 Factors That Decide Your Credit Score

1. **Your Payment History:** Did you pay your credit card obligations on time? If they were late, then how late? Bankruptcy filings, liens and collection activity also impact your history.
2. **How Much You Owe:** If you owe a great deal of money on numerous accounts, it can indicate that you are overextended. However, it’s a good thing if you pay a good proportion of balances to total credit limits.
3. **The Length of Your Credit History:** In general, the longer you have had accounts opened, the better. The average consumer’s oldest obligation is 14 years old, indicating that he or she has been managing credit for some time, according to Fair Isaac Corp., and only one in 20 consumers have credit histories shorter than two years.
4. **How Much New Credit You Have:** New credit, either installment payments or new credit cards, are considered more risky, even if you pay them promptly.
5. **The Types of Credit You Use:** Generally, it’s desirable to have more than one type of credit – installment loans, credit cards and a mortgage, for example.

What You Can Do to Improve Your Credit

Credit scores, along with your overall income and debt, are big factors in determining whether you’ll qualify for a loan and what your loan terms will be. So, keep your credit score high by doing the following:

1. **Check for & Correct Any Errors in Your Credit Report.** Mistakes happen, and you could be paying for someone else’s poor financial management.
2. **Pay Down Credit Card Bills.** If possible, pay off the entire balance every month. Transferring credit card debt from one card to another could lower your score.
3. **Don’t Charge Your Credit Cards to the Maximum Limit.**
4. **Don’t Order Items for Your New Home on Credit Until After the Loan is Closed.** The amounts of items such as appliances or furniture will add to your debt.
5. **Don’t Open New Credit Card Accounts Before Submitting a Loan Inquiry for a Mortgage.**