

## Why You Must Raise Your Credit Score

It is amazing to think how many different areas of your life are affected by the value of your credit score. Your credit score is calculated by looking at your credit history, and if your credit score is too low, you will be assessed higher interest rates, and may even be declined for credit, a mortgage, even car insurance or a new job. There are multiple reasons why your credit score might be low.

If you do not pay bills on time, default on payments, have filed bankruptcy or have any kind of judgment against you, you may have a low credit score. This does much more than just preventing you from getting prime rates on loans or opening new lines of credit, but can also hamper you in getting a mortgage or even getting a new job.

For the process of increasing your credit score, your first step would be to get copies of your credit reports from each of the three major credit reporting agencies and go over them with a fine tooth comb. Federal law says that you can get a free copy of your report once a year, so feel free to take advantage of this. What you will likely discover is that even though all the information on your report may be correct, chances are very high that you will find one or more errors. If you do not get these errors corrected, they will never be corrected since you are the only one who can get them fixed.

Errors are introduced into your credit report in a variety of ways. Account numbers get transposed, there is human error and clerical error, and also computer error. If you see an account you do not recognize, this may be the sign of identity theft. Having all these errors on your credit report will cause your credit score to be calculated lower. Endeavor to get those errors corrected, which is not all that difficult.

However, regardless of whether it is easy or hard to fix the errors on your credit report it is absolutely necessary in order to raise credit score and move on with your financial life. The first thing you need to do is go through your credit reports and identify each and every error contained on the reports.

After you have identified the errors, you now have to find the proof. The proof you need depends on the type of error. For example, if there is an error saying something is not paid off and you know that it is, you will need either cancelled checks or statements. Verification can usually be done via the original creditor.

To dispute an item, you should send a letter to the credit bureau that is reporting the error, a separate letter to each one. Some people even say to send only one dispute per letter, so if you have five disputes, you should send five letters, but I don't think that is necessary or saves any time. Be clear about what is being reported incorrectly and how it should be reported. Retain a copy of what you send them and follow up. They have 30 days to either verify the information or remove it.

Your financial life will be easier when you raise your credit score, which will happen as you get errors corrected. You will have an easier time getting new lines of credit setup and may even find that you are now eligible for lower interest rates. Taking the time to raise your credit score will definitely pay off for you in the long run.

## About the Author

For more insights and additional information [Raise Your Credit Score - The Way To Do It](http://www.credit-help-center.com) please visit our web site at <http://www.credit-help-center.com>

Source: <http://www.diyresource.com>