

## Raise Your Credit Score Rating

You have probably heard of credit scores and ratings but if you are like most people, you probably do not have a good feel for what a credit score rating really means to you. The problem with this is that what you don't know can hurt you and negatively impact your financial status. The information is not a secret and you should take the time to find out what your credit score is, and as is possible in almost all situations, put forth the effort to improve your credit score rating. This is frequently also called a FICO score based on the company that developed the formula to create the scoring system.

Your credit score affects virtually every area of your life, and is not even limited to financial things. For example, a poor credit score can cause you to pay more for car insurance and even prevent you from getting that new job. By contrast, a high credit score makes it much easier for you to be approved for attractive loan and credit programs and makes many areas of your life much easier.

A special formula is used to calculate the three digit number which represents your credit score. Typically these numbers are between 300 and 850 as they are calculated using the FICO method. The score is derived by looking at various different factors for your credit and credit history. About 35% is related to your payment history and your on time payment performance. About 30% depends on the total amount of money that you currently have as outstanding debt. About 15% of the score relates to the length of time that you have a credit history available, or how long you have had these accounts. The remainder reflects new accounts recently opened and the number of different types of accounts you have.

If you have a credit score that is over 750, this is considered to be an excellent score. A score over 720 is pretty good, 660-720 is considered to be acceptable or average, but below 600 is poor. If you have a score below 600, you definitely need to start working on your score to improve it or you may begin having problems with your finances.

Your credit worthiness is determined by your credit score. This means that your eligibility for loans, mortgages, and credit cards are based on your credit score rating. The amount of interest you pay also depends on your credit score as well. Even deposit amounts for renting a home or the ability to get a new car can be affected by credit scores.

To raise your credit score, there are several things you can do. The very first thing is to start paying each and every one of your bills on time so that you create a history of on time payments. Keep the outstanding balance on your credit cards well below your credit limit, where the ideal amount is around 25% to 30% of your credit limit. Avoid applying for new accounts all the time since having a lot of open accounts is negative.

The effort you put forth to improve your credit score rating will not go unrewarded since you will find many more doors opened for you when you have good credit. Understand what your credit score is and take the steps to improve it today.

## About the Author

If you are interested in raising your [Credit Score Rating](#) as well as getting a free copy of your credit reports to get you started with this, please visit our web site at <http://www.credit-help-center.com>

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