

PioneerValley
FEDERAL CREDIT UNION

CHANGE THE FUTURE[®]

One Step at a Time

8 Ways to Raise Your FICO Score

Consumers today are becoming more savvy about their finances, including many behind-the-scenes factors. For example, they know more about credit reports, how to get copies of them and how to keep them “clean.”

It’s important to know that credit reports and credit histories may be strong influences in whether you can get credit and in some cases, believe it or not, whether you will get a job.

One factor potential lenders and employers look at is your FICO score. The FICO score is named after Fair, Isaac & Co., the company that developed the scoring method used by the three major credit bureaus. It compares the information in your credit report to what’s on the credit reports of thousands of other customers. FICO scores range from about 300 to 900.

Generally, the higher the score, the lower the credit risk, but it’s very difficult to say what’s a “good” or “bad” score because lenders have different standards for how much risk they will accept. To raise your FICO score and improve your chances of getting a loan, consider the following.

1. Fix errors on your credit report.
2. Close accounts you no longer use; have the record reflect that such accounts were closed at your request.
3. Pay all your bills on time. Just one late payment in the past 24 months may hurt your score.
4. Always pay at least the minimum amount required on each bill.
5. Reduce your levels of debt. Potential lenders compare your total debt to your income.
6. Do not max out your credit cards.
7. Keep creditors aware of your up-to-date address. Incorrect addresses slow down loan applications.
8. Do not bounce checks. A single bounced check, if reported to a credit bureau, is likely to stay on your credit report for seven years.

Keeping your “nose” clean, so to speak, where your debt is concerned will help you maintain and get good credit when you want it.

Learn more about how to stay financially fit by contacting our financial education and wellness department at 413-733-2800. We can help you change your future starting today!