

“How can I improve my credit score?”

Anyone who currently has or has had credit cards or loans has a credit history with Credit Reporting Agencies. These agencies provide credit reports upon request. A credit report contains information about where the person works and lives and how they pay their bills. It also may show whether they have been sued or arrested or have filed for bankruptcy. Businesses use this information to evaluate applications for credit, insurance, employment, and other purposes allowed by the Fair Credit Reporting Act (FCRA).

Getting and maintaining credit is a lot like exercising to keep your body healthy and fit – it takes a while to get to your goal, but once you reach it you want to stay there.

Consider these tips to help you establish and maintain good credit:

- **Don't try to establish credit until you have income from a job or steady allowance.**
- **Open a checking account.** Keep track of what you spend and make sure you have the funds in your account to cover all the checks you write.
- **Before applying for credit, get into the habit of depositing a portion of your income into savings.** This will help show your creditworthiness.
- **Apply for a credit card.** It often helps to apply for your first credit card with your parent or guardian as a co-signer. Once an application is accepted, be sure to pay your credit card off each month. This requires discipline on your part but it is an important step in staying out of debt.
- **Pay all bills on time and do not exceed the credit limit on your card.**
- Once your creditworthiness has been established, you will receive many offers for additional credit cards. **Avoid having too many!**

Following these tips will help you improve and maintain good credit. Understand the importance of establishing good credit BEFORE you begin establishing your credit history!

