smarter MONEY LIFE

TAKE CHARGE OF YOUR CREDIT

Your credit score isn't just a number. It's a tool that can open doors or create barriers. From buying a home to getting the best interest rates, it plays a bigger role than most people realize. Let's break down why it matters, and exactly how you can take control of it starting today.

Why Your Credit Score Matters

- **Unlocks better loan terms** – A higher score means lower interest rates on mortgages, auto loans, and personal loans, saving you thousands over a lifetime.
- **Impacts more than borrowing** – Landlords, insurance companies, utility providers, and even some employers check credit as part of their decision-making process.
- **Determines credit card approvals & limits** – Better scores unlock premium cards with rewards, cash back, and higher spending limits.
- **Affects everyday financial flexibility** – From renting an apartment to financing a phone, your score quietly shapes your options.
- **Saves you money long-term** – A strong score can mean the difference between affordable monthly payments and being house-poor or car-poor.

How to Build a Strong Credit Score

- **Pay every bill on time** – Payment history is the single biggest factor (about 35% of your score). Set up autopay or reminders to never miss a due date.
- **Keep credit utilization low** – Aim to use less than 30% of your available credit — ideally under 10% for top-tier scores.
- **Start early with the right tools** – Secured credit cards, credit-builder loans, or becoming an authorized user on a parent's card can jumpstart your credit history.
- **Mix it up responsibly** – A healthy combination of credit cards and installment loans (auto, student, mortgage) can boost your score over time.
- **Be patient with new credit** – Only apply for new accounts when needed; too many hard inquiries in a short window can ding your score.
- **Keep old accounts open** – Length of credit history matters. Closing your oldest card can actually hurt your score.

How to Protect Your Credit Score

- **Check your credit report regularly** – Pull your free reports from AnnualCreditReport.com to catch errors or signs of fraud early.
- **Freeze your credit when not in use** – A credit freeze is free and stops identity thieves from opening accounts in your name.
- **Set up account alerts** – Get notified instantly of new charges, balance changes, or credit inquiries.
- **Dispute errors quickly** – Mistakes happen. Reporting them fast can prevent long-term damage to your score.
- **Avoid co-signing unless you fully trust the borrower** – Their missed payments become your credit problem.
- **Watch out for scams & phishing** – Never share your Social Security number, account logins, or card info with unverified sources.
- **Plan before big financial moves** – Avoid opening or closing accounts in the months leading up to a mortgage or auto loan application.

Your credit score is one of the most powerful financial tools you own — build it intentionally, protect it fiercely, and it will open doors for decades to come.

Your Money. Your Way.
We'll help you get there.

For more helpful financial tips, visit the FORUM Credit Union YouTube Channel

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