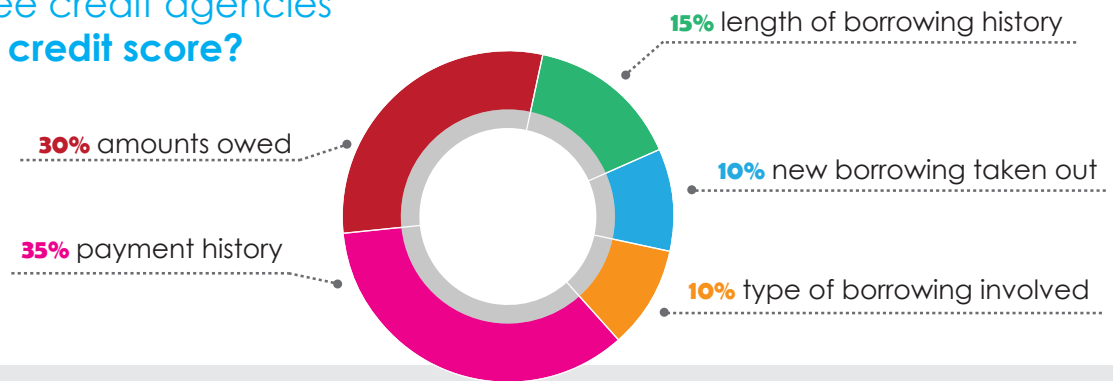


5 things you should know about your credit score

How do the three credit agencies determine your **credit score**?



What are the mortgage benefits of a good **credit score**?



The higher your credit score, the lower the interest rate you are charged when borrowing. The credit agency scoring also determines whether or not you are approved for a mortgage or mortgage insurance. The better your score, the lower the rates you pay.

How do I improve a poor **credit score**?



Your first step to analyze your credit standing is to verify your credit report is accurate. Every year, you need to pull a free copy of your credit report at www.annualcreditreport.com.

How long will **negative items** stay on your credit report?



Foreclosures remain reported for 7 years and negatively impact a score between 85-160 points. Chapter 13 bankruptcies are reported for 7 years; Chapter 7 bankruptcies for 10 years. Both reduce your score by about 130-240 points. 30-day mortgage delinquencies reduce a credit score by 60-110 points, and the impact is higher for 60- and 90-day delinquencies.

What are some tips for maintaining a good **credit score**?

- Set up automatic bill payments to pay on time every time.
- Develop a budget. Try free budgeting software online like Mint.com or find strategies that work for you.
- When you're having trouble making ends meet, contact your creditors to modify your repayment schedule.
- Build on timely payments you're already making by opting in to your landlord reporting only positive rental payments to a credit agency on your behalf.

