

If you've got a poor credit rating, don't get discouraged. It's important to know that you can make it better. A lot goes into your complete credit rating. It will take some time and effort, but improving your credit score actually can be pretty straightforward:

- 1. Know your score, and why it's low.** The Fair Credit Reporting Act (FCRA) requires each of the nationwide credit reporting companies to provide you with a free copy of your credit report, at your request, once every 12 months. Beyond that, you can also visit Experian, Equifax, or TransUnion directly to get a copy of your report when needed. The ratings found on all three should be similar, though they might not be exactly the same.
- 2. Report errors.** If your credit score is dramatically lower on one bureau's report, that bureau might have incorrect information. Look closely at all reports to see if you find any errors. If you do, report them to the appropriate credit bureaus.

- 3. Clear any bad debts.** These are bills that simply went unpaid over time. If you can pay them off, go ahead and do so. If you can't pay them in full, all at once, seek out the collection agency that has reported each bad debt, and work with them to establish a payment plan. Many times, these agencies will tack on extra fees — so be ready to negotiate a final cost that you can live with.
- 4. Make all future payments on time.** You can't do anything about past late payments, but you can do better moving forward. Set reminders on your calendar, schedule text alerts directly from your credit card account, and whatever else it takes to remember to pay your bills on time, every time. This is the fastest and easiest way to begin bringing your credit score back up, so other lenders will trust you to repay your debts. If you're feeling overwhelmed by credit cards and loans, check out Fifth Third Bank's strategies for paying debt. You can also use our free budgeting worksheet to help track and adjust your spending as needed in order to meet your financial goals.

QUESTIONS?

Contact us at 1-855-347-4864 to speak with a Money Management Advisor today.