



**Associated
Bank**

How Your Credit Score is Calculated:

- Payment history
- Outstanding debt
- Credit account history
- Recent inquiries
- Types of credit

What's a Good Credit Score?

Credit scores (usually) range from 340 to 850. The higher your score, the less risk a lender believes you will be. As your score climbs, the interest rate you are offered will probably decline.

Borrowers with a credit score over 700 are typically offered more financing options and better interest rates, but don't be discouraged if your scores are lower, because there's a mortgage product for nearly everyone.

Here's an look at credit scores among the US population in 2003:

Up to 499:	1%
500 - 549:	5%
550 - 599:	7%
600 - 649:	11%
650 - 699:	16%
700 - 749:	20%
750 - 799:	29%
Over 800:	11%

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How to Improve Your Credit Scores

Improve your Payment History

- Always pay your bills on time.
- If you have past-due bills now, get current and stay that way.
- Contact your creditors as soon as you know you will have a problem paying bills on time.
- If your situation is serious, see a *legitimate, non profit* credit counselor. Avoid the scam artists who promise a quick reversal of your credit problems.

Keep Debt to a Minimum

- Keep your credit card balances low.
- Pay off debt, don't move it around. Owing the same amounts, but having fewer open accounts, can lower your score if you max out the accounts involved.
- Don't close unused accounts, because zero balance might help your score.
- Don't open new accounts that you don't need as a quickie approach to altering your debt-to-credit-limit ratios. That can lower your score.

Length of Your Credit History

- Time is the only thing that can improve this aspect of your scores, but you can manage it wisely. Don't open several new accounts in a short period, especially if your credit history is less than three years.

Manage New Credit Wisely

- Several credit inquiries during a short period means you are attempting to open multiple new accounts, and that lowers your credit scores.
- Credit scoring software usually recognizes when you are shopping for a single loan within a short period of time, such as a home loan. If multiple inquiries are necessary, have them pulled as closely together as possible.
- Checking your own credit report does not affect your scores.
- Do try to open a few new accounts if you've had credit problems in the past. Pay them on time and don't max out your credit limits.

The Types of Credit You Use

- A mixture of credit cards and installment loans, loans with fixed payments, can help raise your score *if* you manage the credit cards responsibly.
- Having many installment loans can lower your scores since payments remain the same until balances are paid in full.
- Don't open new accounts just to have several accounts or to attempt a better mix of credit.
- Closing an account doesn't remove it from your report. It may still be considered for scoring purposes.

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