



# CHECK YOUR CREDIT

## Building and Maintaining Your Credit

Building good credit takes time. Below are some actions you can take along with some helpful products to help reach your financial goals.

### Obtain and Read Your Credit Report

**Step 1** – Request your credit report from [www.annualcreditreport.com](http://www.annualcreditreport.com).



**Step 2** – Read your credit report carefully. Use the “Understanding Your Credit” handout to assist you. Make sure the personal information, accounts, and inquiries are correct.

**Step 3** – Take steps to correct errors or inaccuracies you find. Use the “Fixing Errors in Your Credit Report” handout to assist you.

### Know What Matters

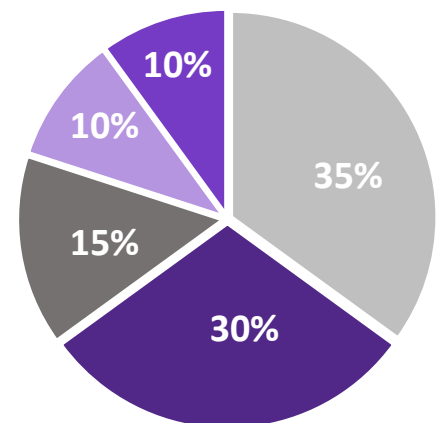
**Payment History – 35%** – Pay bills, loans, and credit cards on time. If you have missed payments, get current and stay current.

**Amounts Owed – 30%** – Don’t use more than 30% of your total credit limit or carry balances on revolving credit.

**Length of Credit History – 15%** – The longer an account (revolving credit) has been established and used, the better. Accounts 10 years and older are ideal.

**New Credit – 10%** – Minimize the number of new credit inquiries (applying for credit) and opening too many new accounts.

**Healthy Mix of Credit – 10%** – Variety of credit accounts and a mix of revolving and installment loans. Installment loans favor credit scores a little more than revolving loans.





# CHECK YOUR CREDIT

## Utilize Credit Services and Products

Before using any credit service or product, take time to understand the fees and conditions that may apply.



**Boost Credit** – Utilize financial products and services that help you build credit history. Utilize secured credit cards or credit builder loans. Consider alternative credit scoring models (*Experian Boost* or *UltraFICO*), where you can voluntarily add data such as bank accounts, rent, utility bills, telecom and streaming services.



**Manage Credit** – Online or app services (*Credit Sesame* or *Credit Karma*) help you improve your credit score by monitoring credit, providing a free estimated credit score, and tracking identity theft.



**Financial Planning and Tracking** – Online or app services (*Mint* or *NerdWallet*) provide tools for budgeting, transaction tracking, categorization, and bill reminders. They may also track your estimated credit score.



**In-Person Assistance** – *Credit repair agencies* charge a fee and dispute all your negative information, but only inaccurate information can be changed. *Credit counseling organizations* are usually non-profits and help people deal with debt. They may be able to lower monthly payments, lower interest rates and waive certain fees but are not able to reduce what you owe. *Debt Settlement or Debt Relief agencies* are usually for-profit companies that charge a fee for service after services have been performed. They may offer to arrange settlements of your debts with creditors or debt collectors.

This publication is designed to provide educational information on credit reports. If legal advice is required, the services of a competent professional should be sought. Consumers can find tips on choosing a financial advisor at <https://personal-finance.extension.org/investing-unit-10:-choosing-financial-professionals/>.

Trade or brand names mentioned are used only for the purpose of information. No endorsement of products mentioned is intended, nor is criticism implied of products not mentioned.

## K-STATE Research and Extension

Kansas State University Agricultural  
Experiment Station and Cooperative  
Extension Service.

K-State Research and Extension is an equal  
opportunity provider and employer.

Sources: Consumer Financial Protection Bureau, Want credit to work for you?  
[https://files.consumerfinance.gov/f/documents/cfpb\\_ymyg\\_want-credit-to-work-for-you\\_booklet\\_print.pdf](https://files.consumerfinance.gov/f/documents/cfpb_ymyg_want-credit-to-work-for-you_booklet_print.pdf)

Consumer Financial Protection Bureau, What's the difference between a credit counselor and a debt settlement or debt relief company?  
<https://www.consumerfinance.gov/ask-cfpb/whats-the-difference-between-a-credit-counselor-and-a-debt-settlement-or-debt-relief-company-en-1449/>

Solid Finances Webinar: Tips for Good Credit Management, February 3, 2021  
<https://solidfinances.msuextension.org/pastrecordings.html>