

Understand Your Credit

Trying to understand how credit works can be frustrating. Most people do not even know where to begin when trying to identify their personal credit rating. There are three major credit bureaus that report your credit status. These three credit bureaus are Equifax, Experian and TransUnion. All three also keep your FICA or credit score. This score can give you the best idea of how your credit ranks.

FICA...What Is It?

FICA scores range from 375 to 900. In general, the higher your credit score the better you will be able to obtain credit. A FICA score under 620 makes obtaining credit difficult. You should identify what your score is and if it isn't a good number you should then work on making it better. Creditors use your FICA score to determine whether to give you credit and sometimes base interest rates on this score. It is a very important number to know.

Your FICA Score

To determine your credit score you should request your credit report from the three major credit bureaus. The new legislation passed that allows you one free credit report every twelve months does not require the credit bureau to give you your FICA score, so you will probably have to pay for these reports. The contact information for each bureau is as follows:

- Equifax 800-685-1111 www.equifax.com
- Experian 888-397-3742 www.experian.com
- TransUnion 800-916-8800 www.transunion.com

You should receive a copy of your personal credit report that includes your FICA score. Your FICA score is listed along with a comparison to the general population. This lets you know where you fall on the scale from excellent to poor. The credit bureau may include information as to why your score is not higher. Once you have your score you can then determine what you need to do to make it higher.

Raising Your Score

Some simple things can be done to help raise your FICA score. Paying your bills on time, keeping a small amount of unused credit available, keeping your debt low, and avoid inquires to your credit report can all help improve your credit score. Some things like, length of credit history, length of time on your job, and length of time at residence are things you can do nothing about, but that will also affect your FICA score. Practicing good credit methods will help you to obtain a better FICA score.

If you are worried about your personal credit you should really check out your FICA score. Then work to improve it. It may take time, but everyone has the ability to have good credit.