

# Keep Your Credit in Shape

By TRENT MOORE | Green Shoot Media

It might not be something you think about on a daily basis, but your credit score can be the make-or-break factor when it comes to buying a home or getting a good interest rate on just about any loan. There are a few steps you can take to make sure it stays in good shape.

## CHECK YOUR SCORE

It might seem obvious, but you can't preserve or rehab your credit score if you don't know what you're working with. Approximately 66 percent of people do not check their credit score on an annual basis, according to the National Foundation for Credit Counseling, so this is always the best place to start.

USA Today recommends you start by checking your score so you have a baseline for where you want to go. You might realize you already have excellent credit. If that's the case, the rest of the process should be a breeze.

## ADDRESS ERRORS

You may have some debt that needs to be worked on, but we're not there yet. The first thing you should do is go through your report with a fine-tooth comb to make sure everything checks out as it should. Is an old loan you've already paid off still showing



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up? Is there debt showing up on your report that you don't even have? These are errors you need to address immediately, and since almost one-fourth of Americans do have a problem on their report, it's never too early to start the dispute process to get it cleared up.

Pay close attention for accounts that belong to someone else, as it's not uncommon

to discover someone else's bad credit habits dragging down your score.

If you find mistakes, dispute the information with the credit bureau as quickly as possible. All three major bureaus allow you to submit a dispute online, which is the quickest way to get errors corrected.

## PAY DOWN SOME DEBT

USA Today notes credit

score services use a metric called "credit utilization," which is the ratio of your credit card balances to your credit limits. Understandably, lower is generally better, so the best approach is to try to repay some revolving balances, if applicable, or pay your bill a few days prior to your monthly statement to reduce the amount being reported to the credit bureaus.

## REAL ESTATE 101

### Credit Sleuthing

The Consumer Financial Protection Bureau offers the following advice about what to look for in your credit report: When reviewing your credit report, check that it contains only items about you. Look for information that is inaccurate or incomplete, or information that should no longer be on your credit report. Look out for addresses of places where you did not live, names of employers you did not work for, or information that should no longer be on your credit report, such as a bankruptcy that is more than 10 years old.

## STAY IN THE KNOW

It's important to be vigilant about your credit while you're preparing to apply for a home loan. A credit monitoring service can help you keep tabs on any changes to your credit reports so you can stay on top of the information banks will see about your credit usage.

Pay attention to any alerts you receive through your credit monitoring service, to be sure any changes are accurate or respond quickly to an error.





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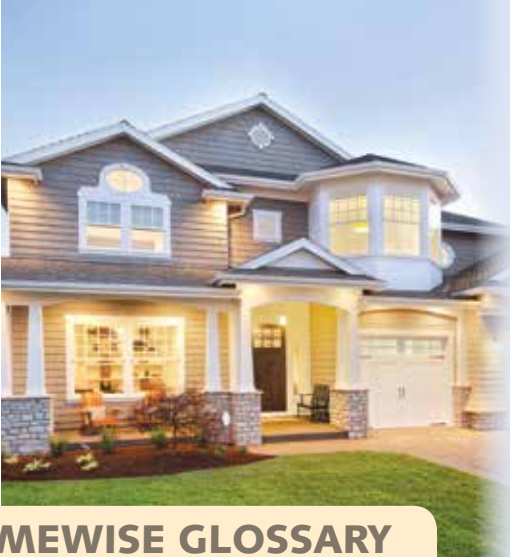
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## HOMESWISE GLOSSARY

**Credit report fee:** This fee covers the cost of a credit report, which shows your credit history. The lender uses the information in a credit report to assess your credit worthiness.

**SOURCE:** Consumer Financial Protection Bureau

# AD SPACE