

# SMALL FARMS RESEARCH CENTER FACTSHEET

COLLEGE OF AGRICULTURAL, LIFE AND NATURAL SCIENCES



United States Department of Agriculture

National Institute of Food and Agriculture

NIFA



United States Department of Agriculture

Office of Advocacy and Outreach (OAO)

## 5 Ways to Improve Your Credit Score

As lenders tighten their credit standards and firms continue to push their credit score tracking services, it is now more important than ever to focus on your credit score rating. Defects in your score can cause a great amount of pain in getting a loan, making a purchase or even seeking a new position. The Federal Reserve Board suggests five ways to improve your score.



### 1. Get copies of your credit report

Go to [www.annualcreditreport.com](http://www.annualcreditreport.com) and obtain your report. Under federal law, you can secure a free report from each of the credit reporting companies once every 12 months. You may also call 877-322-8228 to order. After you get the report, make sure the information is correct!

### 2. Pay your bills on time

One of the most important things you can do to improve your credit score is to pay your bills by the due date. You can set up automatic payments from your bank to help pay on time, but be sure you have enough money in your account to avoid overdraft fees.

### 3. Understand how your score is determined

Your credit score is usually based on the answers to these questions:

- Do you pay your bills on time?
- What is your outstanding debt?
- How long is your credit history?
- Have you applied for credit recently?
- How many and what types of accounts do you have?

### 4. Learn the legal steps to improve your credit report

The Federal Trade Commission (FTC) has published a guide on how to improve your credit report at: [www.ftc.gov/bcp/edu/pubs/consumer/credit/cre03.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre03.shtm). It outlines ways to correct errors in your report, including how to write a “dispute letter.”

### 5. Beware of credit-repair scams

The FTC says that companies target consumers who have poor credit histories with promises to clean up their credit report. The truth is these companies cannot deliver an improved credit report using the tactics they promote.

Doing it yourself is the best way to repair your credit. For help on learning more about credit scams, see the FTC fact sheet at: [www.ftc.gov/bcp/edu/pubs/consumer/credit/cre13.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre13.shtm).



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