**How to improve your Credit score?**

Credit score is the identity of your financial health and keeping it healthy is your responsibility. It is an important factor to know how capable you are of getting approval of a loan. It helps the lenders know how responsibly you use the credit and since how much time you are using it.

Your Credit score is a number that is measured by your credit report to decide how much risk it is to lend you money. The better your score, the higher are the chances of your getting the loan approved. This is not only for your present but to have a secure future in case of emergencies where you have to take a loan, and borrow for short term or long term emergencies.

**Why is Credit Score important?**

Credit plays a crucial role in your financial status and maintaining your credit is important. This can help you to get an approval for a loan you want to take for a property or a car.

This can become your identity now as there are many areas which look at your credit history and credit score. Be it buying a property of getting a rented apartment both needs a good credit history so that lenders will know that you are capable of getting that loan. Through maintaining a good Credit history you are sort of building a trust with your bank or lenders that you are a responsible credit user and you have been using it since a long time. This will increase the chances of you getting that loan.

Not only loan but this might as well get you a job opportunity in some areas like insurance companies that look at your credit score before hiring you for that job.

Steps to Improve your Credit Score:

* Keep a check on your Credit Report
* Payment history
* Spend according to utilization ratio
* Keep open your old accounts
* Opening more accounts

1. Keep a check on your Credit Report:

It is important to keep a monthly check on your credit report to see what are the things working in your favor and what are against you that can effect to bad credit score. Check if you are doing well with your credit history or you need any changes in your actions.

1. Payment history:

Keep a good payment history with all the bills paid and settled as this one of the top factors lenders look for when deciding to approve your loan. They check if you are responsible and capable of paying the loan back on time. You need to clear the bills monthly to be stress-free because consistency is necessary for long-term and spend according to your needs.

1. Spend according to utilization ratio:

The amount you spend must be easily paid back, don’t pay more than your needs or more than your capacity. It is said that using less than 30% of your credit utilization score is best way to maintain your credit report. Credit utilization ratio is how much is your limit to spend from your credit card, but that doesn’t mean you spend a lot too much. Don’t supplement your income with credit, it would be good if you keep the credit ratio as low as possible for your own good.

1. Keep open your old accounts:

Not closing your old accounts will act as credibility in your financial report as it shows that you have been using the credit since a long time and you are managing it very well. This helps the lender know that you are a person who have experience with credit balance and increase the chances of approval.

1. Opening more accounts:

Manage your accounts and open only when you need. There is an offer on opening a new account doesn’t mean you need it. This is one of the thing lenders check for that how many accounts have you opened recently and if the number is higher they might think that you are in desperate need for money. So open your new accounts only when you need.

**Conclusion:**

Credit not helps in Purchase of new house or new car but in many other ways for example it will reduce the interest rate when you buy something like this, of-course nobody wants to pay more than the actual price and this will help you get that asset in 0% interest as well just be consistent with your good credit score. Apart from this it will help you when you go for renting an apartment or for car insurance where you can get paid easily for your score. Sometimes a bad credit score may affect you so bad that you might even fail to get that car insurance done when met with an accident or require any repair. So, use your credit wisely and maintain a good credit history as it has many advantages which you will enjoy later.

You can still go for a Credit Repair service as there are many out there for maintaining your credit score for you if you’re a busy one and can’t be handling and keeping a constant check on your credit, you can rely on these services that can do the work for you. There a many websites out there one of which is <https://sign-up.fastfreedomacademy.com/> where you can book for a FREE consultation and then take a decision.