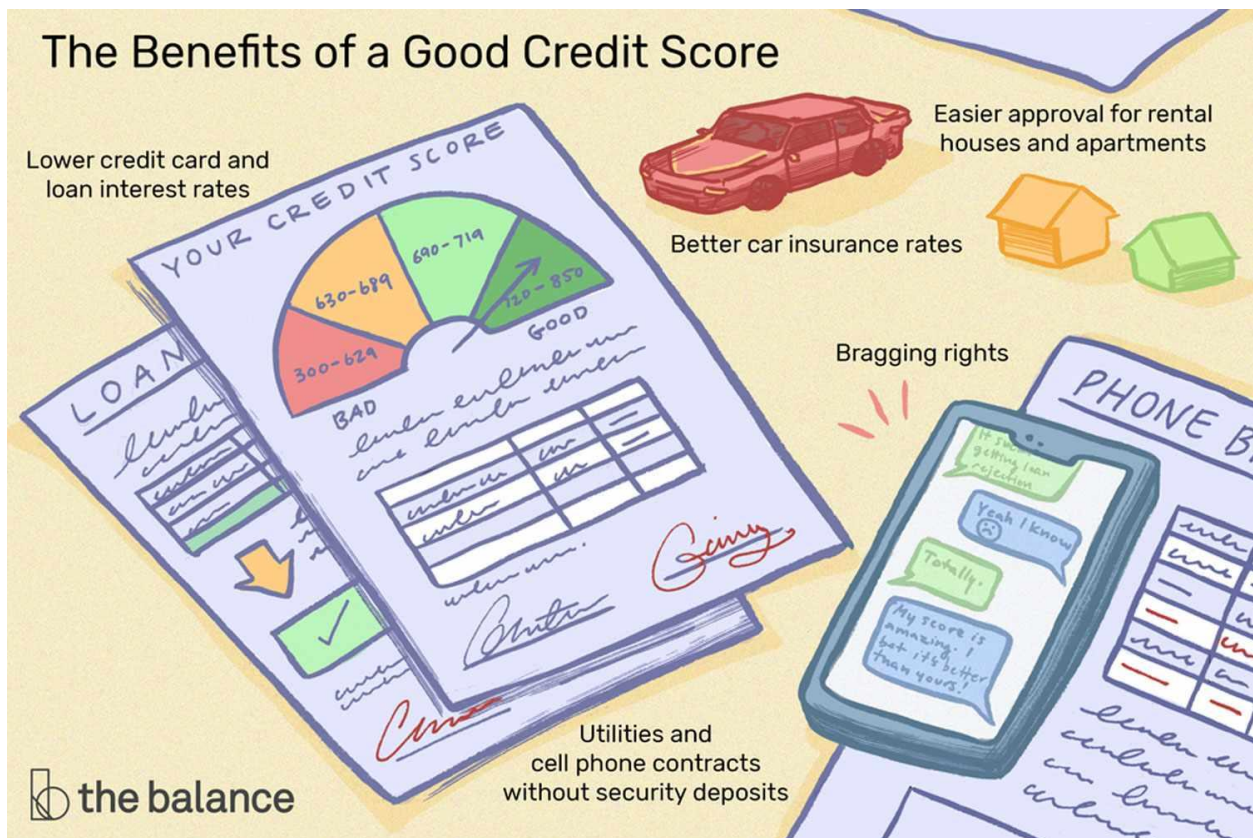


## Why is it important to have good credit score?

Having a good credit score affects many aspects of your financial life. It matters to have a good credit score for many different reasons the most important being

- Easier Loan and Credit Card Approvals
- Higher Credit Limits
- Lower Interest Rates (Save Money)
- Better Insurance Rates
- Easier to Buy a Home
- Less Stress

The bottom line is that a good credit score saves you money, gives you more opportunities, and overall makes your life easier in the long run.



## Credit score is important but what is a good credit score?

Credit scores range from 300 to 850, and different categories determine whether a score is considered poor, fair, good, or excellent.

### **800 - 850**

This is considered an excellent credit score with this you can qualify for the best interest rates, get the highest credit limits, and get easier approvals.

### **740 – 799**

This is considered very good and with this score you get low interest rates and better offers.

### **670 – 739**

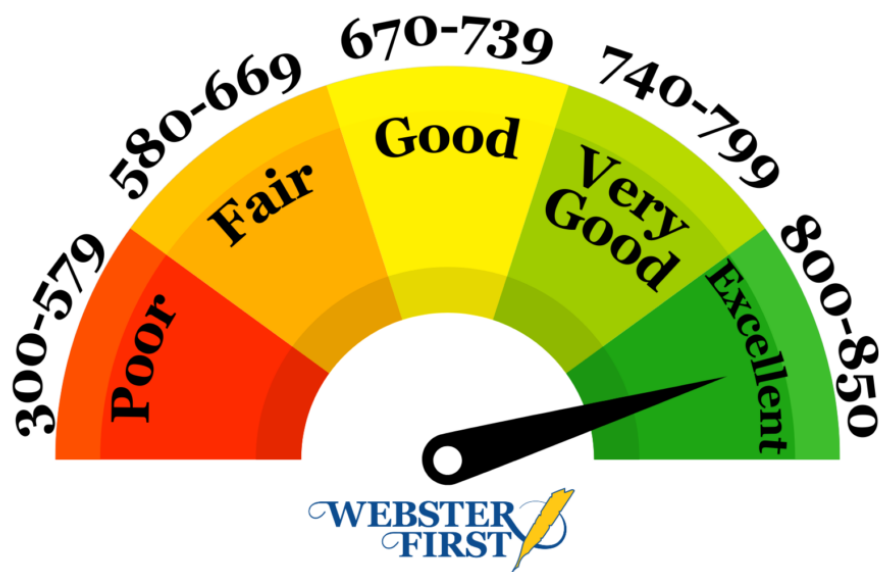
This is considered good with this you qualify for most loans and credit cards, but you might not be able to get the best rates.

### **580 – 669**

This is considered fair with this you might get approved, but you will get higher interest rates and lower limits on your credit cards.

### **300 – 579**

This is considered poor or Bad which means you are a high-risk borrower and may struggle to get approved for loans or credit cards.



## How can you create a good credit score?

To get a good credit score you need to start early by creating responsible financial habits. Some steps include

1. Open a credit account
  - Start with a Credit Card: If you don't have credit history, apply for a student credit card, secured credit card, or a credit-builder loan
2. Pay bills on time
  - Payment history is **35%** of your credit score. Pay your credit card, student loans, and any other bills on time.
3. Keep credit utilization low
  - Keep it **under 30%** (ideally under 10%) to show lenders you can manage debt.
  - Example: If your credit limit is \$1,000, try not to use more than **\$300**.
4. Avoid opening too many accounts
  - Each new credit application triggers a **hard inquiry**, which can lower your score slightly.
5. Keep old accounts open
  - Credit age is **15%** of your score. Even if you don't use an old card often, keeping it open helps your **credit history length**.
6. Diversify credit types
  - Having a mix of **credit cards**, **student loans**, or **auto loans** can boost your score over time.
7. Monitor your credit score regularly
  - Use free services like **Credit Karma** or your bank to track your credit.
8. Avoid co-signing loans
  - If a friend or family member defaults, it will impact **your** credit too.
9. Limit hard inquiries
  - Applying for too many credit cards or loans in a short period **lowers your score**.
10. Be patient

- Good credit takes **time to build**. Responsible habits will lead to a **strong score (700+)**, opening doors for better financial opportunities.



### Sources

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