

Learn How to Improve Your Credit Score

A good credit score increases your chances of getting your loan or credit application approved. However, please follow these rules

before You Opt to Borrow:

1

Borrow for productive purposes only and for something that you need

2

Borrow within your means

3

You have a moral responsibility to repay your debts

4

Borrow from Regulated Credit Providers

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The success of your loan application largely depends on the following:

Purpose of borrowing

- The purpose of taking on a loan will determine the type of financial product provided.
- The interest rate and tenure of the loan are determined based on the type of borrowing.

Ability to repay

- The loan amount will be decided based on the individual's ability to repay the loan.
- The ability to repay a loan is established from the surplus of income and the stability of the individual's cash flow.
- The debt-to-income ratio is also used as an indicator in determining an individual's repayment ability.

Repayment history

- Payment records for previously obtained loans will also be assessed by banks.

As advised by the Credit Bureau Malaysia, you can start to build a good credit history by:

- Paying your bills on time
- Using only a certain percentage of your credit
- Never applying for too much credit at once
- Keeping track of your credit report every year
- Paying your purchases within six (6) months if you are using your credit cards
- Answering phone calls from the bank even during a financial crisis
- Assessing your cash flow when considering loans
- Applying for loan or credit, if you have none, to build your credit score in CCRIS