

Improving Your Credit Score

What Makes Up Your Credit Score?

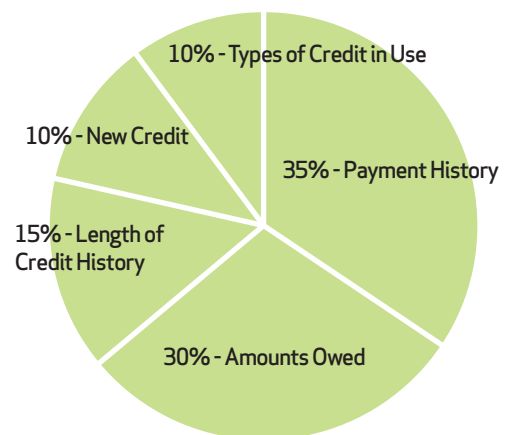
10% - Types of Credit In Use: Try to have a good mix of installment, credit card, and mortgage accounts.

10% - New Credit: Limit your credit cards and store cards to just what you'll use. Opening new credit lines frequently can hurt your score.

15% - Length of Credit History: The longer you've held credit, the better your score (potentially) will be.

30% - Amounts Owed: This is a measure of your "credit utilization" or balance to credit limit ratio. The lower you're using overall, the better your score.

35% - Payment History: Put simply, if you're late on payments, your score WILL suffer. Make sure all payments are being made on time or within the grace period.



What Actions Will Hurt the Score?

- Missing payments (regardless of the dollar amounts - it can take up to 24 months to restore credit with just one late showing up on your credit report.)
- Closing unused accounts in good standing - this diminishes the number of good tradelines on your credit report
- Applying for a lot of credit and store cards in a short period of time
- Maxing out your credit cards
- Having an account sent to collections or charged off
- Closing a credit card that still has a balance



How Can I Improve My Credit Score?

1. Get a credit card if you don't have one
2. Add an installment loan from the credit union to your credit mix
3. Use your credit cards infrequently and pay them down
4. Request a higher limit on the credit cards you carry a balance on
5. Dispute negative items appearing on your credit report
6. Pay everything on time -- ALWAYS!

***Your score is NOT affected by:**

- Debt ratio
- Income
- Length of Residence
- Length of Employment

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Want a FREE Copy of Your Credit Report?

This is the only source that is a truly free way to request a copy: www.annualcreditreport.com

Review all accounts listed on your credit report and dispute any that are in error using the dispute letter below. Under the FCRA, both the credit reporting company and the information provider (the person, company, or organization that provides information about you to a credit reporting company) are responsible for correcting inaccurate or incomplete information in your report. To take advantage of all your rights under the FCRA, contact the credit reporting company and the information provider if you see inaccurate or incomplete information.

Sample Dispute Letter

Date
Your Name
Your Address
Your City, State, Zip Code

Complaint Department
Name of Company
Address
City, State, Zip Code

Dear Sir or Madam:

I am writing to dispute the following information in my file. The items I dispute also are circled on the attached copy of the report I received.

This item (identify item(s) disputed by name of source, such as creditors or tax court, and identify type of item, such as credit account, judgment, etc.) is (inaccurate or incomplete) because (describe what is inaccurate or incomplete and why). I am requesting that the item be deleted (or request another specific change) to correct the information.

Enclosed are copies of (use this sentence if applicable and describe any enclosed documentation, such as payment records and court documents) supporting my position. Please investigate this (these) matter(s) and (delete or correct) the disputed item(s) as soon as possible.

Sincerely,
Your name

Enclosures: (List what you are enclosing)

Helping Iowans
build wealth,
responsibility and
independence.



IOWA CREDIT UNION
FOUNDATION