

Your Credit Score Breakdown

To improve your credit score, you must first understand what it's based on. In this chart, we explain what makes up your score:

Type of Credit

- The total number of various types of accounts

Payment History

- Account payment information
- Adverse public records
- Amount of delinquent accounts or past due items

New Credit

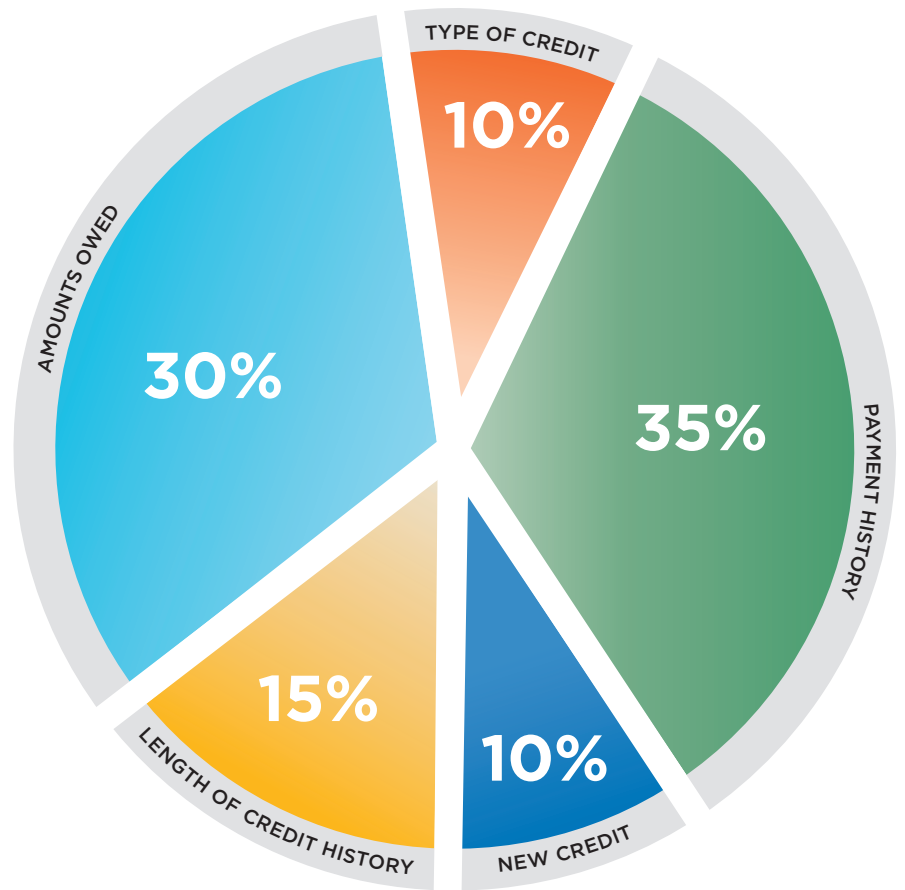
- Number of recently opened accounts
- Number of recent inquiries

Length of Credit History

- The time since account opening
- Time since account activity

Amounts Owed

- Outstanding balances on accounts
- Proportion of balances to total credit limits



Tips for Building Good Credit

- Set up automatic bill payments and payment due date reminder alerts to make sure you pay on time.
- Don't overspend on credit cards and aim to use less than 30% of your available credit lines.
- Don't apply for credit too frequently or open multiple accounts in a short period of time to avoid an excessive number of credit checks, which can hurt your score.
- Consider adding different forms of credit over time, as gaining experience with different types of credit, such as a credit card, auto loan, student loans, etc., can help your score.
- Credit lines with a long history of good credit can help your score, so consider opening a credit account early and using it wisely to start building a positive credit history.
- Check your credit reports regularly, at least once a year, for errors that could impact your score. You can request an annual copy for free at [AnnualCreditReport.com](https://www.annualcreditreport.com).

Understanding Your Credit Score

Your credit score is a numeric grade of your “creditworthiness,” or how likely you are to be able to pay back your bills or loans on time. It’s determined by how well you’ve managed your money and debt over time, also known as your credit history, which is displayed on your credit report.



Why It Matters

Building good credit is important because this number can impact a lot of different areas of your life. In fact, having a higher credit score can help you:



Land a Job

Many employers will check your credit history to see how responsible you are.



Save on Interest

A higher credit score can help you qualify for better interest rates, saving you money.



Add Phone or Utility Services

Good credit history could mean reduced security deposits and faster access to service.



Get a Loan or Credit Card

Good credit helps you get approved for more credit or loans in the future.