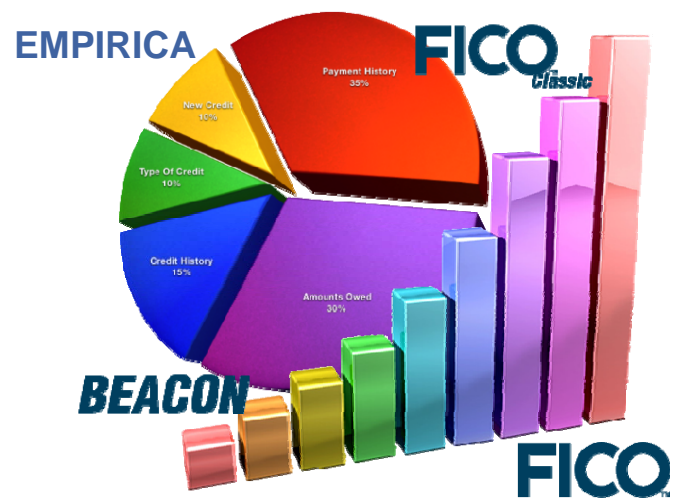
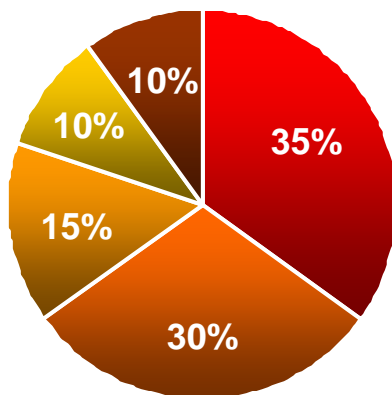


## How to Repair Credit Score

The following tips will help you know how to repair your credit score

- Pay History
- Amount Owed
- Credit Age
- Credit Type
- New Credit

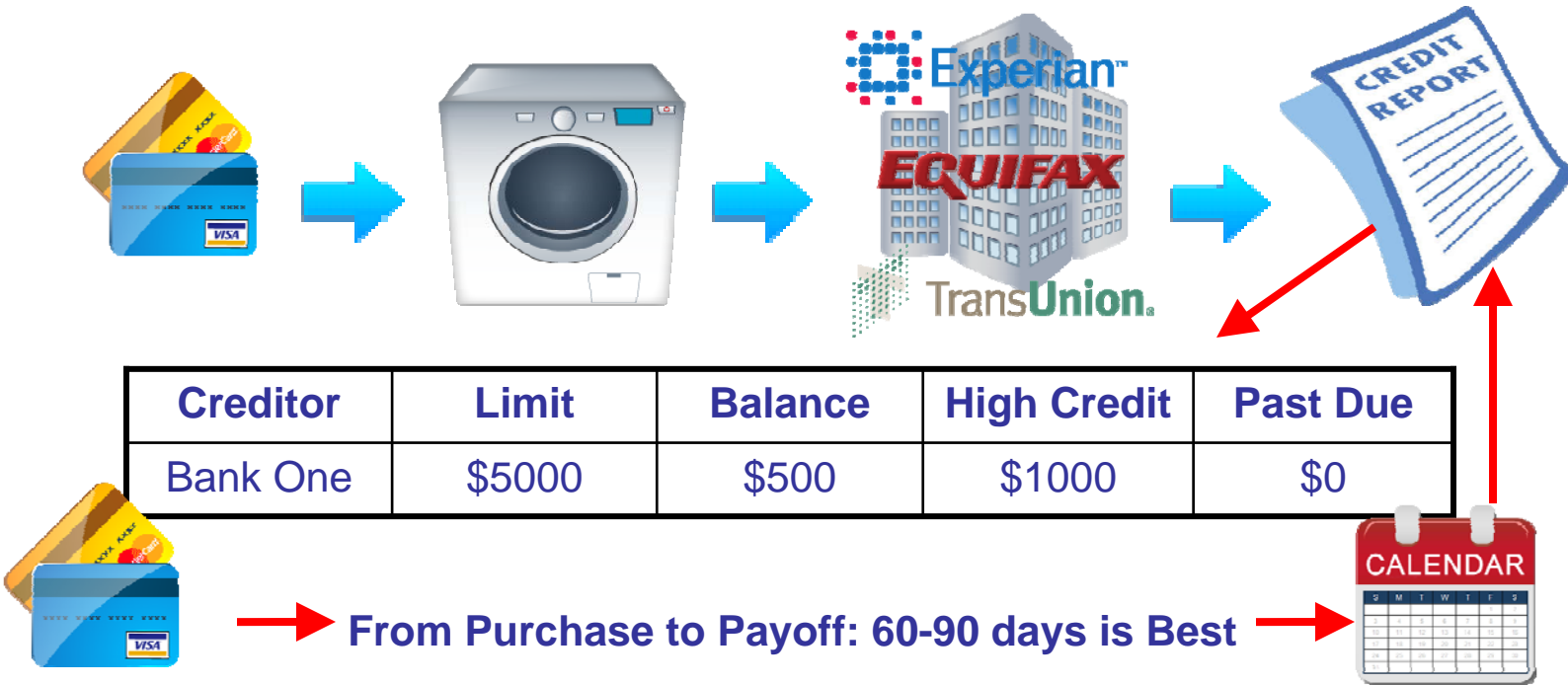


Having a good history is just not enough to repair your credit score

In today's economy it's more important than ever to have a good credit score, but millions of consumers simply don't and all too often find themselves looking for tips on how to repair their credit score. If you already have credit accounts credit cards or loans, you will have a credit file and score with the credit bureaus. The following tips will help you know how to repair your credit score:

# How to Repair Credit Score: Use Credit & Be Smart About it


## Use Credit to Build Credit



Use credit, but be smart about it. One vital tip on how to repair your credit score: you need to use credit to build credit. Make manageable purchases with your credit card and pay down the balance each month, but don't pay off your balance completely. So if you made a purchase of \$500 and paid it off 30 days later, it does not usually reflect that on your credit report, so do something like that within a 60 to 90 day spread instead. Having a zero balance is good to avoid interest charges but not in repairing your credit score. If a zero balance is reported to the credit bureaus it appears as though you're not using the account, which negatively impacts your score. To improve your credit score, pay off all but \$10-\$50 of your balance. This will show activity on your credit to help repair your credit score.

## How to Repair Credit Score: Never Max Out Your Limit


A Maxed Out Limit Indicates Crisis: Don't Exceed 30% of Limit



Creditor	Limit	Balance	High Credit	Past Due
Bank One	\$5000	\$5000	\$5000	\$0

Next, never max out your card, even if you are able to pay off the full amount at the end of the billing cycle. Keep your balance to below 30% of your available credit limit. Be meticulous in this area as more than a third of your credit score is based on your credit utilization ratio – which means how much of your available credit limit you're using. Your credit report shows two columns of data regarding this, your credit limit, and your high credit, or in other words, the highest your balance has been on that account.

## How to Repair Credit Score: Spread Out Debt onto Other Accounts



Creditor	Limit	Balance	High Credit	Past Due
Bank 1	\$5000	\$500	\$1000	\$0

Creditor	Limit	Balance	High Credit	Past Due
Bank 2	\$2000	\$100	\$500	\$0

Creditor	Limit	Balance	High Credit	Past Due
Bank 3	\$3000	\$200	\$800	\$0

Another useful pointer on how to repair your credit score is to spread out your debt. It's better to have small balances on several cards than a big balance on one card. It's also good to have wide gaps between your balances and your limits, especially on revolving debt such as credit cards and department stores. Although you'll still be rewarded for paying down installment debt like mortgages or auto loans, your scores improve much more dramatically when you pay down revolving debt.

## How to Repair Credit Score: Keep Most Accounts Open & Active

Good	<b>Creditor</b>	<b>Status</b>	<b>Date</b>	<b>Comment</b>
	Bank One	Open	Recent	We love them
Bad	<b>Creditor</b>	<b>Status</b>	<b>Date</b>	<b>Comment</b>
	Bank One	Closed	Recent	Closed by Grantor
meh	<b>Creditor</b>	<b>Status</b>	<b>Date</b>	<b>Comment</b>
	Bank One	Closed	Long Ago	Closed by Consumer



Keep accounts open and active. Another vital tip on how to repair your credit score is not to close any accounts. Each of your accounts has a history, and your credit payment history represents 35% of your score. Another related tip on how to repair your credit score is don't let your creditor close it due to inactivity because it will show on the credit report as 'closed by credit grantor' which lowers your credit score.

## How to Repair Credit Score: Have a Healthy Mix of Credit Types



**Mortgage**



**Installment**



**Optional**



**Revolving**



**Revolving**

Another important tip on how to repair your credit score is to have a healthy mix of credit. Have at least one installment and two revolving accounts; after that be careful about applying for new credit. Too much available credit can be perceived as dangerous by potential lenders. You'll also get dinged with more inquiries if you have a lot of accounts; and every point counts when you are applying for a major loan.

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