Understanding Your Credit Score

- **Payment History**: Making on time payments is one of the most important things you can do to build credit. Late or missing payments can hurt your credit score, and collection activity will severely impact it.
- **Amounts Owed**: The amount of credit used can hurt or help your score. If the overall amounts owed is low compared to the credit limit, this can help your score. Alternately, owing close to your credit limit can harm your score.
- **Credit History**: The length of time an account has been open (and in good standing) can help your score. While this is harder to control, keeping the account open contributes to the length of credit history.
- **New Credit**: Opening a new account can lower your credit score, especially if multiple new lines of credit are created in a short time frame.
- **Credit Types**: The two main types of credit are installment (ex: loan payments) and revolving (ex: credit cards). Managing both can improve your score.