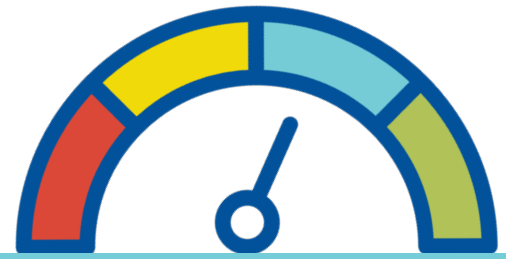


# Get to Know Your Score

March is National Credit Education Month



Paying for all your expenses in cash, purchasing big-ticket items without a loan, and living off the “credit grid” may sound like an ideal lifestyle to you, but that way of living is outside the scope of possibility for most Wisconsinites today. March is National Credit Education Month, and it’s time to learn that your credit score determines more than the loans you’re approved for and the interest rate you pay. Home and car insurance companies will use credit scores to set premiums, and apartment managers can look at scores to choose who can rent their open units.

Throughout the course of a lifetime, higher premiums and interest rates caused by a poor credit score could amass to cost an additional hundreds of thousands of dollars.

Don't know your credit score? Your credit score is a number ranging from 300 (poor) to 850 (excellent). Every consumer is entitled to a free credit report each year from the three major credit bureaus: TransUnion, Equifax, and Experian. You can request your credit reports at [AnnualCreditReport.com](http://AnnualCreditReport.com) and check the report for mistakes and instances where fraud may have occurred. See the list below to learn what categories make up your credit score and tips you can use to improve it.

## 35%

### Payment History

Paying your car loan, rent, credit card bill, etc. on time each pay period is the most crucial factor that determines your score. Late payments can cause bad consequences like a drop in your score. Combat this by setting up automatic payments when you can or scheduling calendar alerts to notify you when a payment is due.

## 30%

### Credit Utilization

You may have a high credit limit on your credit card, but it’s advised that you charge no more than 30% of that limit. Light and regular use of your accounts is advised. If you need to use more than 30%, you can request a higher credit limit. It is also important to always pay the full balance on your credit card bill if you are looking to build your score.

## 15%

### Length of Credit History

This describes the age of your accounts and the period of time your accounts have been established or the average of new and old credit on your credit report. This could be your first credit card you got as a teen or when you set up your first loan. Seven years is regarded as a good length of credit for your credit score.

## 10%

### New Credit

The number of credit accounts you have recently opened determines new credit. As a borrower, you are considered to be a greater risk if you open several accounts in a short amount of time. Applying for new credit will stay on your report for up to two years.

## 10%

### Credit Mix

The major credit bureaus will consider your mix of credit when they determine your score. Having different types of credit such as a credit card, loans, mortgages, and retail accounts could increase your score because it shows your ability to manage a variety of debt.



Wisconsin Bankers  
ASSOCIATION

[www.wisbank.com](http://www.wisbank.com)  
[www.wisbankfoundation.org](http://www.wisbankfoundation.org)



Wisconsin Bankers  
FOUNDATION