

Credit Habits Worksheet

You've probably heard a lot about credit – but you might not understand why credit matters and how it actually works.

In sponsorship with CreditRepair.com, we're breaking it down in this credit habits worksheet. So you can understand what credit is, where to check your credit reports and what actually goes into calculating your credit score.

Why Credit Matters

Creditworthiness is basically a measure of how good are you at borrowing money. That is, how likely are you to pay back what you owe – on time, as agreed and in full?

Lenders use your history of borrowing money to calculate your credit score, which they then use to determine whether they'll lend you money in the future, and at what rate.

The better your credit, the more likely you are to be approved for any kind of borrowing, and the better rates and terms you're likely to qualify for when you need to borrow that money – whether that's when you're applying for a credit card, a car loan or a mortgage.

Your Credit History

1) Pull your credit reports from the three credit bureaus – Equifax, Experian and TransUnion.

You can get a free copy of your credit report every 12 months from each credit reporting company.

Pro tip: You can get a free credit consultation from CreditRepair.com by calling (855)-601-8246

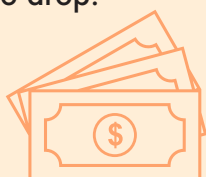
2) When you receive your credit reports, ensure that all of the information is correct and up to date on each of them.

If you find any errors on your credit reports – ex. accounts that have been reported more than once, or bad debts that should have been already been removed – contact the appropriate credit bureau or visit CreditRepair.com for help resolving the discrepancy.

3) As you review your credit reports, make note of the credit factors influencing your credit score, like...

Payment History:

Paying your bills on time is the best thing you can do for your credit. Even one missed or late payment can cause your credit score to drop.



Credit Utilization:

You want to keep your credit utilization low. Your utilization is calculated by dividing your current debt balances by your available credit. So if you have a credit card with a balance of \$300 and a credit limit of \$1,000, your utilization percentage would be 30%.

Length of Credit History:

The longer your credit history (which includes the age of your oldest account and the average age of all your accounts), the better. Even if you don't use your oldest credit account often, keeping it open can be helpful for maintaining your length of credit history.

Types of Credit:

Having a variety of account types, like credit cards and loans, can have a positive influence on your credit. (That said, don't take out loans you don't need just to build your credit).

New Credit:

The number of credit accounts you've recently opened and the number of hard inquiries on your credit file play a role in determining your credit score. Avoid applying for too many new lines of credit at once.

*There are a few different models for calculating credit scores. Each model has a slightly different formula, but they generally emphasize the same key factors. The key is to practice good credit habits and keep tabs on your credit over time.

4) Based on the information in your credit reports and the factors that influence your credit score (above) – identify what have you been doing right credit wise (ex. Paying all bills on time)?

5) Based on the information in your credit reports and the factors that influence your credit score (above) – identify what have you been doing wrong credit wise (ex. Opening too many new lines of credit)?

Your Credit Future

6) Identify what specific steps can you take to improve your credit.



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