

Take Charge of your Credit By Understanding It

Written by Admin

Wednesday, 13 March 2013 00:00



A strong credit history isn't just nice to have – it's a must-have in today's world. Many consumers only consider their credit when they are applying for a new credit card or loan. But, lenders aren't the only people who look at a person's credit: landlords, cell phone companies and utility providers often do, too.

If you're just starting out and haven't established credit, or if you're starting over again after your credit took a hit, these steps can help you establish and responsibly manage your credit over time.

If you are a Wells Fargo customer

Take advantage of two limited-time promotions running right now. From March 1 – April 15, 2013, Wells Fargo consumer customers have access to their free, no-obligation Experian® custom VantageScore® as well as a complimentary credit report. Customers can take part by visiting a store and asking a Wells Fargo banker for a personal access code.

We hope you won't stop there. Because knowing what you want to achieve financially is an important part of good money and credit management, Wells Fargo is also launching Share Your Goals, a social media sweepstakes. From March 1 – April 15, 2013, participants can visit shareyourgoals.wellsfargobank.com and use the #ShareYourGoals hashtag to announce their financial aspiration. Throughout the campaign, Wells Fargo will help 13 randomly selected participants reach their goal by awarding a total of id="mce_marker"6,000 in cash and Wells Fargo Visa® gift cards. No purchase is required to enter.

Know what's currently on your credit report

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After taking advantage of the Free Credit Score promotion referenced above, remember to check your credit report regularly so you know the information contained in it is accurate. Report any errors to the credit bureau. By law, you can request a free credit report (credit score not included) once every 12 months from each of the consumer credit reporting companies: Equifax®, Experian® and TransUnion®. You can request all three reports free at annualcreditreport.com.

Understand how your credit is scored

Your credit score is calculated using various criteria like length of your credit history, and the types of credit you have. But, the two most important criteria are:

1. Payment track record – whether or not you pay your bills on time
2. What you owe – what your overall outstanding balances are, plus how much of your available credit you're using

Apply for a credit card

Retail and gas cards may help you build your credit history. But, your credit score is partly determined from the variety of different credit you have, so adding a major credit card—like a Visa® or MasterCard® could help improve it. If you can't get an unsecured card yet, you might consider shopping for a secured card. Some things to consider when choosing a secured card:

Are there application fees or an annual fee?

Does the issuer provide an opportunity for the secured card to become an unsecured card after a period of making payments on-time and meeting other eligibility criteria?

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Does the issuer report your payment history to major credit bureaus?

Consider an installment loan

As you establish your credit history, you may want to include installment loans to meet your occasional financing needs. This might start with auto loans or personal loans, but may eventually include a mortgage or home equity loan. If you limit the amount you borrow and keep the term of the loan short, you may strengthen your credit without paying a lot of interest.

If you can't qualify for an unsecured loan yet you have some personal savings, consider a loan secured by your CD (certificate of deposit) or savings account.

Be patient

You want a credit history that helps you get where you want to go in life. Yet, establishing and maintaining good credit is like losing weight—there's no quick fix. It takes time, effort and guidance. For more credit tips, visit Wells Fargo's *Smarter Credit*[™] center at www.wellsfargo.com/smarter_credit/.

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