How to Get & Maintain Good Credit

Credit is your ability to borrow money and repay it over time. Your credit history and credit score reflect your creditworthiness. Good credit can lead to better borrowing terms, lower interest rates, and financial opportunities.

1. Check Your Credit Report:

- Obtain a free copy from Equifax, Experian, and TransUnion annually.
- Look for errors: Incorrect information can impact your credit score.

2. Start Building Credit:

- If new to credit, consider these options:
  - **Secured Credit Card:** Requires a deposit as collateral. Use responsibly.
  - **Authorized User:** Piggyback on someone else's good credit.

3. Pay Bills Promptly:

- Timely payments are crucial.
- Set reminders or automatic payments to avoid missing due dates.

4. Manage Credit Utilization:

- Aim for a credit utilization ratio below 30% (balance/limit).
- Pay off credit card balances in full each month.

5. Diversify Credit Types:

- Mix diverse types of credit (credit cards, loans).
- Do not open unnecessary accounts.

6. Avoid Frequent New Applications:

- Too many applications can lower your credit score.
- New credit applications lead to hard inquiries.

7. Length of Credit History:

- Longer history improves your score.
- Keep older accounts open to maintain history.

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8. Monitor Your Credit:

- Regularly review your credit reports for errors or fraud.
- Promptly address any discrepancies.

9. Handle Delinquencies:

- If you miss a payment, catch up as soon as possible.
- Past due payments have less impact as time passes.

10. Reduce Debt:

- Prioritize paying off existing debts.
- Prioritize high-interest debts.

11. Be Patient:

- Building credit takes time and consistent responsible behavior.
- Avoid shortcuts or quick fixes.

12. Use Credit Builder Loans:

- Consider credit builder loans to establish credit history.

13. Seek Professional Assistance:

- If needed, consult certified credit counseling agencies for guidance.

Remember, good credit is built through responsible financial habits over time. Consistency and patience will lead to a strong credit foundation, providing better financial opportunities in the future.

To learn more about credit basics, visit the Financial Resource Center by logging into the Start Right website, startright.bokf.com. From the main menu, go to the “Planning Tools” tab.

Start Right Website

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