

How Do I Improve My Credit Status?

Whether we know it or not, we all have our own personal credit status. For some of us it's good, and enables us to get a mortgage, a loan or a credit card with a good rate of interest. For others it isn't as good, and those people may experience trouble getting financial products when they need them.

If there is one thing worth remembering about your own credit status, it's this – however bad it might be, you can improve it given time and effort. By doing this you will make yourself more appealing to lenders of all shapes and sizes in the future.

Here's how it works. Every time you make a payment on your credit card, for example, that payment is recorded by the main credit agencies. If you meet your payments every month you will generally be regarded as a good credit risk, even if you don't always clear your balance. Similarly, if you miss a payment – for whatever reason – that also gets noted down, and if missing payments starts to become a habit you will find it increasingly hard to get credit elsewhere.

It is advisable to check your own credit history to see how you are likely to be regarded by others when applying for loans and mortgages. It's also worth checking to see whether all the facts are correct. Mistakes do happen and they can mean you are unfairly turned down for financial products, so if you spot an error make sure you contact the credit agency who provided you with your report to get it corrected.

If you need to apply for a loan at any point and you are turned down, don't do what many people end up doing and immediately apply for others with other lenders. Having too many applications in a short period of time can throw up a red flag, as lenders will start to wonder why you are applying for several loans at once.

Educating yourself about your credit status is a good way to start improving it, especially if you are taking a fresh look at your finances and starting to clear some debt. Remember that it isn't necessarily how much debt you have that prevents you from getting credit, it's how much of a risk you are. If you have several credit cards but pay back the balances in full – or at least on time – each month, you may still be regarded as a good risk.

In the final analysis, your [credit history](#) will follow you around all your life. However good or bad you are with money, your credit record will tend to mimic your habits. If there was ever a good reason to be responsible with money, this reason should be top of the list.

About the Author

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