

# Step on the Credit Score Scale

## Understand the power of this three-digit-number

You can get financially healthy by frequently tracking your credit score.

### What is a credit score?

A number from 300 (poor) to 850 (excellent) that lets financial institutions know if you're credit worthy.

### Why is it important to keep your score healthy?

Dozens of transactions involve a credit score and a strong score means you'll:



**Be offered credit when you apply for it (think car or home)**



**Have the ability to secure contracts for cell phone and utilities**



**Quality for lower interest rates**

### Find Your Credit Score

- Use sites like [creditkarma.com](https://www.creditkarma.com) or [creditsesame.com](https://www.creditsesame.com) to find your credit score. Enter your information and within seconds you'll have a credit score. You can sign-up to receive emails when your score fluctuates.
- Everyone is able to receive one free credit report each year. Grab yours at [annualcreditreport.com](https://www.annualcreditreport.com). You'll need to answer several personal questions to get the report so have your records handy. Review your report to ensure open accounts and balances are correct.

### Be Smart with Your Credit

- Pay your bills on time. Automate your payments and see if your bank offers advanced payment notification.
- Take steps to lower the balance on your credit card debt. Limit the number of cards with a balance and use just one card if possible.
- Don't open new credit unless necessary. Manage your existing accounts. 15 percent of your score is based on the length of your credit history (see below).
- Instead of moving debt with credit transfers, gradually reduce your debt monthly.
- Always contact your creditors if you're having trouble with monthly payment. They can offer guidance before your credit score suffers.

### Understand How Your Score is Calculated

