

## How to Improve Your Credit Score in Just a Few Months

(Some of this can be done while in prison.)

The first three can be done while incarcerated:

1. Get a free Credit Report. You can request a report annually. And always get a report from each agency. There are three; they may have different information. This report will tell you what debt you currently have (that is overdue). It won't give you a credit score, but it will tell you overdue debt that you will need to address when you leave prison. It will also provide contact information for those creditors. And if any of the information is incorrect, you can begin to address it now.
2. Check your own credit report for errors, including misspelled names, wrong addresses, payment history, unidentified accounts, etc. Challenge any errors with the credit reporting agencies. You should contact all three, if errors occur on each one. Additionally, if there are debts you don't recognize or that are incorrect, contact those companies (at the address listed on the report).
3. Become an authorized user to credit cards of your family members (or friends) who have a good credit score. More than one credit card will speed up your improvement process. No need to carry or actually use the card (which will probably make your family or friends feel more secure).

These final four steps can be done once you're released:

4. Make small purchases on a secured credit card (from a bank or credit union) and pay those purchase balances off on time. Pay them off in full every month!
5. Keep your credit card balance down to 20% of the authorized limit. \$500 limit? Don't exceed \$100 usage.
6. Pay every bill on time. The bulk of your credit score, 35%, is derived from your payment history.
7. Take out a credit-builder loan, which will allow you to build credit and savings at the same time. The money you borrow is placed in a certificate of deposit or savings account that you can claim once you've made all the payments, which are reported to credit bureaus. For example, someone who borrows \$550, can claim a \$550 CD after making 12 payments of \$48.50, plus a \$12 administration fee. These loans help build credit scores. One year of on-time payment loan history builds credit. (Liz Weston, AAS, 12/23/16)

Special thanks to Hugh Higgins, CPA for his input.