



## Your Credit Score Is Important. Make Sure You Know Yours.

Do you know your credit score? If it's too low, you'll want to take steps to improve it.

Your credit score hinges on many factors, including high-interest credit cards, student loans, and even lack of credit. The first step is to get your credit scores from the three national credit bureaus and then work to improve a low score or maintain a good one.

**Understand your credit score.** The credit score commonly used by lenders and creditors is FICO. The FICO score range is 300 to 850, and a good score would be 700. You have to pay a small fee to each of the three credit bureaus (Equifax, Experian, and Transunion) to get their versions of your FICO score. The scores reflect your credit history and current financial status.

**Make sure your credit reports are accurate.** A credit report is a detailed report of your credit history. Errors on your credit reports can hurt your FICO score. You can get free copies of all three credit reports from AnnualCreditReport.com. Review all of them carefully. Although most of the information should be the same, there may be some small discrepancies among them. Contact the credit bureaus to report any mistakes. They must respond to your submissions and take reasonable steps to correct errors.

**No credit? No problem!** If you are new to the credit market, you might have to establish your credit score. You can do this several ways. You can become an authorized user of someone else's credit card or get a secured credit card—a card with a small credit line that is backed by money in your bank account. You can also take out a credit-builder loan from your bank or credit union, where the loan amount is held until you pay off the loan, thus building your credit.

**Make yourself more creditworthy.** Start by reducing your debt on the highest interest credit cards. Pay your bills on (or ahead of) time and pay more than the minimum amount. If possible, try to get your monthly debt payments below 20% of your monthly income. Only borrow what you need and discipline your spending habits.

**Better credit means a better lifestyle.** When you use credit responsibly, you create opportunities to improve your lifestyle without jeopardizing your financial health.

This material was prepared by LPL Financial. **Securities and advisory services offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC).**

Insurance products are offered through LPL or its licensed affiliates. LPL and Allen & Company of Florida, LLC, a registered investment advisor, are affiliated companies. To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL is not an affiliate of and makes no representation with respect to such entity. If your advisor is located at a bank or credit union, please note that the bank/credit union is not registered as a broker-dealer or investment advisor. Registered representatives of LPL may also be employees of the bank/credit union. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, the bank/credit union. Securities and insurance offered through LPL or its affiliates are:

Not Insured by FDIC/NCUA or Any Other  
Government Agency

Not Bank or Credit Union Guaranteed Not a Bank/Credit Union Deposit May Lose Value

Tracking # 1-912527 (Exp. 01/21)