

5 ways to credit success

FROM SUBPAR TO STELLAR



#1 Age is a virtue —

Keep credit accounts open.

On average, super-prime consumers opened their oldest account 27 years ago.

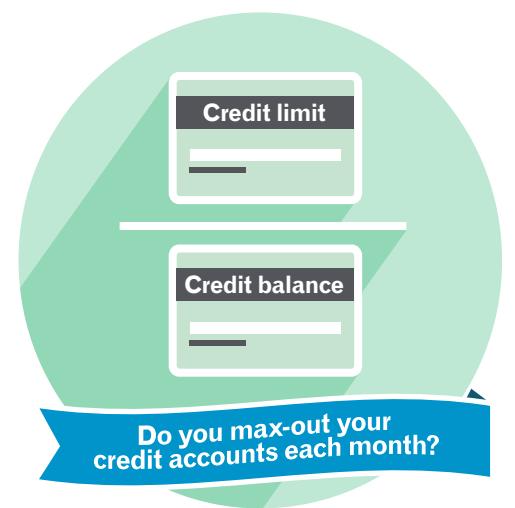
Super prime	Prime	Nonprime	Subprime	Deep subprime
27	19	15	12	9

#2 Don't push the limit —

Keep your utilization rate low.

On average, super-prime consumers have revolving utilization of 8%.

Super prime	Prime	Nonprime	Subprime	Deep subprime
8%	30%	59%	73%	99%



#3 Sometimes it hurts to ask —

Limit the number of inquiries.

About 69% of super-prime consumers did not apply for credit in the past year.

Super prime	Prime	Nonprime	Subprime	Deep subprime
69%	62%	50%	62%	43%

#4 Less is sometimes more —

Keep balances low on credit cards and other "revolving credit."

Super-prime consumers have an average of 5 credit cards and retail cards, with an average balance owed of \$2,648.

Super prime	Prime	Nonprime	Subprime	Deep subprime
5	3	3	1	1
\$2,648	\$4,838	\$6,074	\$1,221	\$588



#5 It never pays to be late —

Pay your bills on time.

100% of super-prime consumers have no missed payments at all.

Super Prime	Prime	Nonprime	Subprime	Deep Subprime
100%	97%	85%	62%	18%

Credit lingo

VantageScore® credit tiers

Super prime	Prime	Nonprime	Subprime	Deep subprime
781–850	661–780	601–660	500–600	300–499

Account age

The length of time since the credit account was opened.

Inquiries

An inquiry is a record that someone has accessed your credit report. Inquiries in response to your credit applications can hurt credit scores.

Late payments

When you have missed a complete payment cycle, usually a full 30 days.

Revolving credit

Credit cards are called revolving accounts because you can carry a balance from one month to the next, or "revolve" the debt.

Utilization rate

To calculate your balance-to-limit ratio, divide the balance by the credit limit for that account. To calculate your total utilization, compare your total balances with your total limits.