**Improving Your Score**

Credit scores aren't static numbers. Because they are calculated based on your current credit report, they change every time your credit report changes. While this change may be very slight, it can also be much more dramatic. Here are some things some financial advisers say to do to try to improve your score:

* Review your credit report and correct any errors you find. Getting rid of inaccurate (and bad) information can sometimes improve your score dramatically.
* Advice used to be given to close old and unused [credit card](http://money.howstuffworks.com/credit-card.htm) accounts in order to reduce your “potential” available credit (which could change your debt ratio after you’ve been approved for a loan). Now, however, the ratio of your debt to your credit limit is more critical, so closing old accounts only raises that ratio – which you don’t want to do. Some people have moved debt from several credit cards to one card and then closed the old accounts. Since creditors look at the debt-to-credit limit ratio this can have a bad affect on your credit score because you have the same amount of debt but less available credit. So don’t close old credit card accounts just because you’re not using them.
* Creditors also now look at the average age of your accounts so, again, keep those old accounts.
* Reduce your balances on credit cards to 75% or less of your available credit (25% is preferable).
* Pay your bills on time. (This is probably the most important of all!)
* Don't let anyone make an inquiry on your credit report unless you absolutely have to. The more inquiries, the lower your score.
* Don’t open new credit card accounts just to increase your available credit in the hopes of raising your score.

Also, remember that some improvements -- such as better efforts at making payments on time -- may take time to impact your score. So, time is also a factor.

If you go to the [bank](http://money.howstuffworks.com/bank.htm) for a loan and are turned down because your score is too low, your would-be lender will get a list of reasons for that low score. You can use that list to try to turn your score around. While nothing is guaranteed, since lenders can also use their own scoring methods, you certainly can't hurt your score by taking any of these steps.

The key is to get credit only when you need it (unless you're trying to establish your first credit), and then use it carefully, make your payments on time, and keep your balances low. Remember not to max-out credit cards.