

7 Fast Ways to Raise Your Credit Score

Your credit score dictates what rate you're offered on a mortgage.

Here are seven of the fastest ways to increase your credit score.

1. Clean up your credit report

Before you do anything else, go to [iTrackMyCredit](#) and request your credit report.

Once you have the report, examine everything. In particular, look for any accounts that show late payments or unpaid bills. If that information is inaccurate, the report should tell you where to send a dispute.

2. Pay down your balance

30 percent of your score is based on the amount you owe.

However, it's not simply how much you owe that's important. It's how much you owe compared with how much credit you have, a ratio known as your credit utilization. For example, if you have a \$10,000 credit limit and a \$5,000 balance, your credit utilization is 50 percent. If you've maxed out that \$10,000 limit, your utilization is 100 percent.

There are many theories on what is the best credit utilization level, but Experian suggests it's best to have a rate of no more than 30 percent. In other words, you should never have more than \$3,000 charged at any time if you have a \$10,000 limit.

If you're above that amount, paying down your balances is a quick way to boost your score.

3. Pay twice a month

You might think you're doing great because you pay off your card every month, even if it's maxed out. The problem is that your creditors are only reporting balances to the credit bureaus once a month. If you run up a big balance each month, it could look like you're overusing your credit.

For example, assume you have a credit card with a \$3,000 limit. It's a rewards card, so you use it for everything. In fact, every month, you hit your limit. The statement arrives, you owe \$3,000, and you send in a check to pay it off. The problem is the credit card company is likely reporting the statement balance each month. So it looks like you have a \$3,000 limit and a \$3,000 balance. That's a 100 percent credit utilization rate, and not a good thing as far as your score is concerned.

You can help alleviate the problem by breaking up your credit card payments. Go ahead and charge everything to get the rewards, but send in payments at least twice a month to keep your running balance lower. In addition, if you make a large purchase on your card and have the cash handy, pay it off immediately.

4. Increase your credit limit

Maybe you're not in a position to pay down your balances. You could take a different approach to improving your credit utilization rate: Call your creditor and ask for a credit limit increase.

If you've maxed out your \$3,000 card and get a limit increase to \$6,000, you've instantly cut your credit utilization rate in half.

5. Negotiate outstanding balances

Maybe your credit score took a dive because you have bills in collections. You can't wipe out past mistakes from your credit report, but you can do some damage control by settling them.

6. Become an authorized user

Finally, if none of the above suggestions helps you because you don't have enough credit accounts, don't despair. There is one final option, and that is to be added as an authorized user on someone else's credit card.

Now, for this to work, you'll need to find someone who is willing to add you to their account and who manages his or her money very well.

You see, when you're an authorized user, the account will show up on your credit report so long as a card has been issued in your name. Then, your credit report will show all their on-time payments and (hopefully great) credit utilization rate. As a result, your credit score gets a boost, too.

7. Obtain credit score increase analysis

Ask your ONYX Direct Underwriting Coordinator to provide you with a free analysis on what to do to increase your credit score.

Once you obtain your credit report, we can request a complimentary analysis on how to increase your credit score through our partnership with Certified Credit Reporting.

Each report will provide you with detailed instructions on what to do to increase your credit score, and approximate number of points it might increase by executing each step.

While these seven strategies can raise your credit score fast, keep in mind "fast" is a relative term. You won't see results overnight; give it about three months or so for the changes to begin positively affecting your score.