

## Brunswick Housing Opportunities Homeward Bound

By getting your current credit picture, you have taken the first step towards your goal of improving your credit this year. The next step is to make sense of your credit picture – which is not as easy as sounds. It is like stepping on a scale and seeing your weight; you realize that you need to get in shape, but how you go about getting fit is the challenge. It is the same with your credit; finding out how to improve your credit and continually manage it is the tough part.

Here are the Four steps I always recommend for credit success:

1. Start by getting your current credit picture.
2. Educate yourself about credit and credit scores.
3. Set a plan that focuses on fixing your specific credit problems.
4. Keep tabs on your credit so you know if your plan is working.

**Step 1 – get your current credit snapshot.** If you were beginning a diet, you wouldn't guess at your weight right? It is the same with credit; it is important to know your starting point. You already have your FICO; scores so mark this step as complete – you are a quarter of the way through this credit plan already!

**Step 2 – get smart.** Unless you are a dietitian, you probably would not create a diet that you knew would guarantee success. So, unless you are a credit expert, do not go about trying to improve your credit blindly. Start by understanding the basic do's and don'ts of credit management. Attend the BHO Credit Smart Workshop. It can help you become knowledgeable about managing your credit.

**Step 3 – build your plan.** After you have become knowledgeable, then you can really attack your credit problems. In your case, you already have a working knowledge after taking BHO Credit Smart what is in your credit report. You will know the areas of the credit profile and payment history that need improvement. After doing some research on these factors, you know that your credit history looks at your oldest account, your newest account, and the average age of your accounts. So, you may want to avoid opening a lot of new credit accounts. As for your payment history, you probably found out that this is one of the biggest components of your score so you really need to focus on keeping current with all of your bills. Understanding how to deal with each credit problem starts with education and continues with a well-conceived plan.



BHO POB 351 Bolivia, NC 28422  
Tel: (910) 253-0699 Fax: (910) 253-4299  
[WWW.BHO2020.ORG](http://WWW.BHO2020.ORG)



## Brunswick Housing Opportunities Homeward Bound

**Step 4 – check your status.** You would be surprised to know how many people only check on their credit when making a major purchase. If there is a problem, finding out just before a purchase does not leave much time to fix the problem. You would likely step on the scale every couple of days to see if your diet is working, right? Do the same with your credit, especially if you have created an improvement plan. We recommend checking your credit twice a year and at least 6 months before making a major purchase.

Now that you know the basics if you are interest in building your plan and setting it into motion for positive results call our office and as for the BHO Credit Smart Workshop and Coach. Call (910) 253-0699 or email [myhouse@bho2020.org](mailto:myhouse@bho2020.org).

BHO-Credit Smart Coach – R. Willis

Drafted from myFICO Q&A a consumer division of FICO.



BHO POB 351 Bolivia, NC 28422  
Tel: (910) 253-0699 Fax: (910) 253-4299  
[WWW.BHO2020.ORG](http://WWW.BHO2020.ORG)

