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In the current economic environment, most of us might be wondering 'how to improve my credit scores?' Some of us do not realize that increasing our credit score by 80 points can bring down the rate of interest to be paid by 1.5%. This can save us hundreds and thousands of dollars over the course of a 30-year mortgage. Here are some useful tips to improve your credit rating:

Paying bills on time: It is a well-known fact that we should pay our monthly bills on time and for every time we delay our payment it there will be a negative effect on our credit score. Therefore, as soon as we receive our invoice, it is better to mark the due date on 'to do' list and make payment well before the due date.

Paying more than the minimum due: Around 4% of outstanding balance would be the most minimum payments and payment of this amount can really contribute to us with lesser wealth. Fundamentally, most of us work hard to earn some extra money for paying out the credit card companies at the end of the month. Therefore, it is better to try out to earn some extra money in such a way that you can pay off the debts at a faster pace.

Avoid skipping of payment: If your goal is to increase your credit score and to free yourself from debt, permitting the credit card companies to earn extra in the form of penalties on interest is not the correct approach. Therefore, rather than skipping a month's payment, it is better to pay whatever you can even if the amount is less than the minimum amount.

Keeping the old accounts open: One of the important factors in identifying the credit score of an individual is how long he has had credit with each creditor. Therefore, if your balance is zero, it is better to leave the account open if no annual fee is charged by the creditor. Also, when keeping the account open, it is better to cut the card usage for ensuring that you never use the card again.

Lowering outstanding balances: If a person carries more than 35% of the available credit, it will have a bad impact on his credit score. For instance, if your credit card balance is $2000, you should not carry a balance of more than $700.

If you cannot take these steps due to your busy schedule, it is better to handover your credit account to credit solution providers, who offer a wide range of plans for people, who are thinking 'how to improve my credit score?'

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