Consumer Advisory
Office of Consumer Affairs & Business Regulation

Division of Banks • Division of Insurance • Division of Professional Licensure • Department of Telecommunications and Cable • Division of Standards • State Racing Commission

Build a Better Credit Report

Your credit report is an essential element for a sound financial future. It can be a valuable tool permitting you to purchase a home or a car, finance an education, or take advantage of special sales and offers. So, it is important to protect your credit rating.

If you want to improve your credit report, here are some steps you can take:

Make all payments on time. Payment history is the number one factor in your credit score.

Review your credit reports for accuracy. You can get negative items removed from your credit report if they are inaccurate or incomplete. Send a certified letter to all three credit reporting agencies and tell them that the items are inaccurate or incomplete and you want them removed.

Stop using your credit cards. To avoid temptation, cut them up. Keep one card available for emergencies.

Keep low balances on your credit cards.

Think before closing accounts. Closing one to two accounts in a six month period will reflect negatively on your credit report.

Contact your creditors if you are having difficulty making payments. Most creditors will work with you to develop a payment that fits your budget. If you negotiate lower payments, lower interest rates, or balance payoffs, get it in writing.

Consider a debt consolidation loan, which will allow you to pay off your outstanding balances with one, lower-interest monthly payment.

Avoid credit repair scams. These scams target people with bad credit or no credit with the promise of a quick fix. Only time and effort will repair your credit report.

The Federal Trade Commission publishes a booklet to help explain how to build a better credit report. For more information, go to Build a Better Credit Report or visit our website at www.mass.gov/consumer.

Know Where Your Money Goes

Poor money management and high debt often contribute to a bad credit rating.

To get your finances under control you should consider the following:

- Track your expenses for one month—save receipts and record whatever money you spend.
- Once you know where your money is going, you can make changes to your spending habits.
- Creating and sticking to a budget will help you to plan.
- Once you have taken these steps, you can focus on improving your credit.

Office of Consumer Affairs & Business Regulation
Better businesses. Smarter consumers.

Daniel C. Crane, Undersecretary 10 Park Plaza Suite 5170 Boston, MA 02116
Hotline 617-973-8787 888-283-3757 www.mass.gov/consumer