

# First Steps to Repairing Your Credit Score

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If you're dealing with poor credit, you probably understand the frustration of trying to come up with the needed funds when emergencies or other issues arise. **Taking the steps to rebuilt your credit can be difficult**, but the benefits are worth the time and effort. If you find yourself in a situation where you need money fast, [Money 4 You Payday Loans](#) is able to step in and lend a much-needed hand.

## What is a Credit Score?

Your credit score is designed to predict risk, i.e., the likelihood that you'll become delinquent on your credit obligations. **It's a three-digit number generated by a mathematical algorithm that's based on your credit report.** The most common credit-scoring model is the FICO credit score, which ranges from 300 to 850. The higher your FICO score, the lower the risk of you being delinquent on a payment. Consumers have FICO scores provided by the three major credit bureaus: [TransUnion](#), [Equifax](#) and [Experian](#). **The information that's used to calculate your credit score comes from five major categories:** payment history, amounts owed, length of credit history, types of credit used, and new credit. The different types of credit are:

- **Installment Credit:** Common types of installment loans are mortgages, student loans, auto loans and private personal loans. With these types of loans, you typically know how much your monthly payment is and how long that you'll be making those payments.
- **Revolving Credit:** A credit card is the most common type of revolving credit. You make payments, but your credit limit doesn't change. You can borrow additional money anytime you want as long as you don't exceed your credit limit. It's also referred to as 'open-end credit' or 'revolving line of credit.'

**It takes time to rebuild a credit score that's lower than you'd like.** Consistency is key, as well as making the right moves. Here are some easy first steps that can get your score pointed in the right direction.

- **Keep your credit card balances low:** One major factor that figures into your credit score is how much revolving credit you have compared to what you're actually using. The smaller the percentage, the better it is for your credit score. In other words, pay down your balances and keep them low.
- **Get rid of your credit card balance(s):** If you have a small credit card balance, paying it off is helpful to your credit score, experts say. Having balances on several cards can have a negative impact on your rating.

- **Keep old debt on your report:** You may be tempted to have old debt taken off of your credit report, such as when you have a car or home paid off. However, it's good to have a history of it and it helps your score, especially if it's good debt that's been dealt with on a timely basis and paid as agreed.
- **Pay bills on time:** The best way to rebuild your credit score is also the easiest: Just make your payments every month, on time.
- **Eliminate risk:** Two ways to sink your credit score is by missing payments, or suddenly paying less (and charging more) than you normally do. These things raise red flags when it comes to risk.

## Call on Money 4 You Payday Loans for Help

While you're working to rebuild your credit, if you find yourself in need of an instant loan, [contact Money 4 You Payday Loans today](#). We've been serving the Utah community for over 20 years, with over 20 locations, and make it fast and easy to apply for a loan between paychecks.