



Your Credit Score Greatly Affects Your Loan Interest Here's How.

by

Richard Fonfrias, J.D.

Chicago's Financial Rescue & Bankruptcy Lawyer

Fonfrias Law Group, LLC

Most people don't know it -- but their credit score plays a major role in determining the interest rate on a new loan. People often conclude that if they apply for and get a loan, they have good credit. Not true. Many people with so-so credit get loans, but at a much higher interest rate than people with a good credit score. As a result, more of their payment goes toward interest, rather than principal. Having a good credit rating will save you money.

How to Improve Your Credit Score

- **Credit Limit:** Make sure the credit limit on each credit card account is correct. The amount you owe on a credit card compared with the credit limit on that card creates your debt to credit ratio, which affects your credit score. If your credit report says your credit limit is lower than it really is, your debt to credit ratio will be higher, resulting in a lower score.
- **Frequency of Use:** The more often you use your credit cards, the lower your credit score, even if you pay off the balance every month. Use your credit cards less often and you'll improve your score.
- **Credit Cards Count a Lot:** Revolving credit accounts affect your credit score more than installment accounts, such as mortgages and car loans. So pay down your credit cards as soon as possible.
- **Errors Hurt Your Score:** Review your credit reports closely and make sure every entry is correct. Mistakes on your credit report really hurt your score.
- **Customer Service:** If you've made most payments on time, a lender may change your "late payment" to an "on-time payment" if you make the request in writing. It can't hurt to ask.

You're Invited to Call or E-mail.

"If you have questions about bankruptcy, foreclosure, credit card debt, loan modifications, tax liens or other financial problems, please send your e-mail today to

rich@chicagomoneylawyer.com

RICHARD FONFRIAS, J.D.

Chicago's Financial Rescue & Bankruptcy Lawyer

Money problems solved. Peace of mind protected.

Founder & Managing Partner

FONFRIAS LAW GROUP, LLC

First National Plaza ❖ 70 West Madison Street, Suite 1400 ❖ Chicago, Illinois 60602
Telephone 312-969-0730 ❖ Facsimile 312-624-7954 ❖ www.chicagomoneylawyer.com

