

Getting your FICO^(R) credit scores toward and over 800:
Copyright (C) David L. Schram 2004, 2012, 2014 and 2015, 2017

Sending this to others or publishing anything similar is a violation of copyright law.

740plus.com
740plus@gmail.com
(818) 813-8230 740plus Credit Score Repair

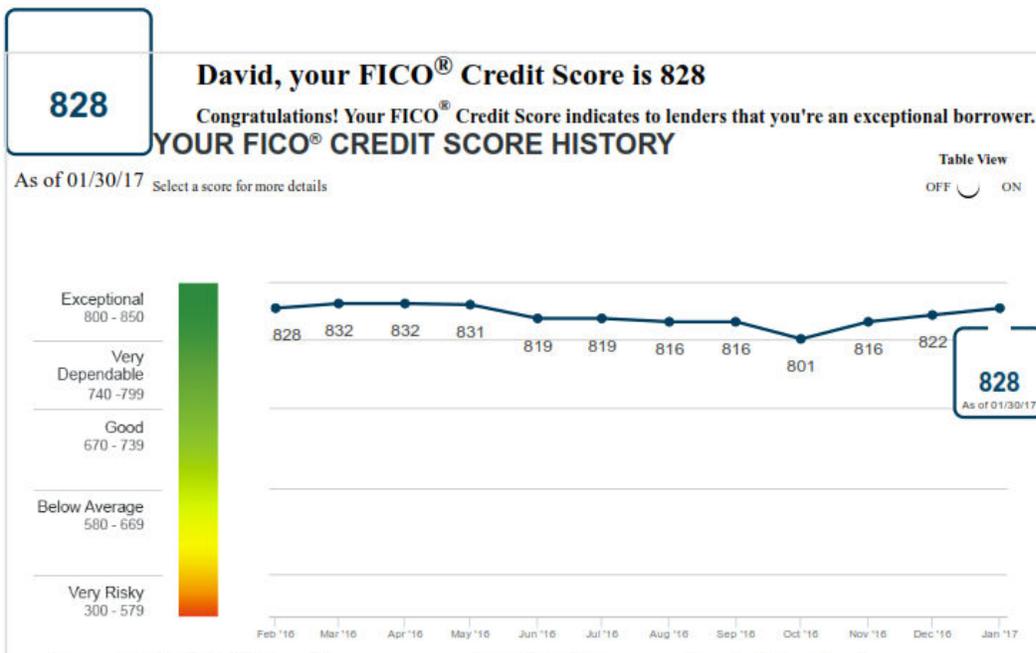


Below were my FICOs last time I checked before updating this advice.

You can see when I did not follow some of my own advice: #3A below.
See the scores drifting down from the 830 score area toward 800?
I didn't use all my cards every 90 days and rapidly pay them.

Why aren't my scores in the 840's or a perfect 850? Because I have not had or wanted a mortgage or vehicle loan for over 20 years. Above 760 is all you really need in the credit world. Having my scores this high is just professional pride.

This FICO score is built on credit cards only. It shows you just how important my advice on credit cards really is to you achieving 800+ FICO credit scores.



Getting your FICO^(R) credit scores toward and over 800:
Copyright (C) David L. Schram 2004, 2012, 2014 and 2015, 2017

Sending this to others or publishing anything similar is a violation of copyright law.

740plus.com
740plus@gmail.com
(818) 813-8230 740plus Credit Score Repair

Here are several things that will help you in the future as time passes. Some you know and others you don't know.

1. First, obviously, never ever be late on a payment.

If you get a bill and don't think you owe IMMEDIATELY send a letter by Certified Mail, Return Receipt Requested to the creditor and mail a first class envelope with the same letter to your address. Make sure the post office very clearly stamps the date on the one you mail to yourself. Don't open it when it arrives. This way if you have to go to court you have proof you protested the debt correctly. If you just **don't pay** because "it is unfair", you are going to **hurt** your credit scores.

2. a. Pay your credit card statement the DAY it arrives or within 5 days.

Pay early like this at least four months in a row every year or better--every month!

- b. If not paying off monthly either pay as much as you can or at least pay 10% over the minimum payment required.
- c. Keep credit card balances as low as possible--they really affect FICO scores.
- d. Do NOT pay off your installment loans early, but DO pay 28 days early if your budget allows.
- e. See the video at 740plus.com called, "Credit Card Debt & Balances". **I can coach you (for a fee) on the best use of cash for highest FICO scores when paying down debt.**

3. WARNINGS!! -- Do this between 45 and 60 days before you need your FICO scores at their highest for mortgage, auto or other lending:

DO NOT APPLY THIS ONE WITHIN 45 DAYS OF APPLYING FOR A MORTGAGE LOAN OR IF YOU ARE TRYING TO GET A MORTGAGE LOAN NOW. DO NOT DO THIS UNTIL AFTER YOUR LOAN HAS FUNDED!!!!!!:

3A. IN THE MIDDLE of your billing cycle use **each** of your credit cards for a small purchase every 90 days. **Put it on your calendar to pay 2-3 days after the use of the card.** You don't want to forget and incur a late payment on credit.

Regular credit card use also should prevent a creditor from closing an account for non-use which gets reported as "Account closed by *Credit Grantor*". **PAY in full two days later and avoid late payments--mark your calendar!**

3B. If your cards are at zero balances then make certain that when your credit is pulled you have a \$20 to \$80 carry-over balance from a previous month on ONE card. This can be worth up to 25-ish mortgage FICO points.

Getting your FICO^(R) credit scores toward and over 800:
Copyright (C) David L. Schram 2004, 2012, 2014 and 2015, 2017

Sending this to others or publishing anything similar is a violation of copyright law.

740plus.com
740plus@gmail.com
(818) 813-8230 740plus Credit Score Repair

4. Going over your credit limit on an account costs your score points. Don't ever do that! **Going up to the credit limit** on a card that had a balance the previous month will put you over-limit due to finance charges. Plan ahead!

5. Never close your oldest credit cards only close your newest ones IF you close any at all.

FICO credit scores calculate on "average age of revolving accounts". The older the better.

FICO scores dislike new credit cards.

FICO scores seem to penalize credit cards that were opened as long ago as 5 years!
My own FICO-9 jumped from 800 to 832 when the three newest cards hit 5 years of age.

FICO hates lower limit cards. I have three cards at \$25,000 limit, the lowest is 1950 which is my second oldest so it stays OPEN! Other limits average about \$5500.

The fact that FICO hates lower-limit cards is a reason to AVOID store cards, Capital One, First Premier and any other cards which won't give you at least a \$2500 limit. One or perhaps two store cards are ok but remember opening new cards is bad for scores.

6. **DON'T use finance companies.** They hurt your scores. Places like Wells Fargo Financial, Citi Financial, One main Financial, Western Finance, Avco—almost any company with "Finance" or "Financial" (except auto manufacturers' finance companies, E.G. BMW Financial) in their name will hurt your scores. The same is true for "same as cash" type creditors. Pay these off as soon as possible for improved scores. WHY: The credit software considers these "lenders of last resort". It is not "prime credit" like banks, AMEX and credit unions. (Example: Regular Wells Fargo vs. Wells Fargo Financial.)

7. **Don't use the company called "Cash Call", "Speedy Loans" or any other quick-cash loans that began popping up in 2013.** Such companies on your credit harm credit scores VERY badly for many years even if they were paid on time, even long, long after they were paid off!

8. **Don't use "PayDay" loans**—they hurt your scores like Cash Call and Finance for many years.

9. **WARNING-- DON'T DO THIS WITHIN 5 MONTHS OF APPLYING FOR A MORTGAGE LOAN or any loan (or while trying to get one) UNLESS YOU KNOW IT WON'T HARM YOUR DEBT-TO-INCOME RATIO:** Installment loans help credit slightly (student loans harm scores), but the ideal length of time to take them out for best credit scores is 24 months.

Copyright (C) David L. Schram 2004, 2012, 2014 and 2015.

Sending this to others or publishing anything similar is a violation of copyright law.

#9 continued: My 832 score was built 100% on revolving credit. That shows installment loans are nowhere near vital to your scores, merely somewhat helpful.

ONLY use your bank or credit union. Take out an unsecured (if possible) installment loan exactly 24 months and NO LESS THAN \$2500. If you can't get an UNsecured loan, get a secured one.

Within 3 months pay enough extra in addition to your monthly payments to just less than 1/2 of what you borrowed.

Then do NOT pay off more of the loan, simply pay the monthly payments 3-4 weeks before due date until the loan is paid back.

It is best to set up automatic payments *pushed* from your checking account to the creditor.

Do not set up auto-payments from debit card--that can cause late payments if your card is lost or stolen. Do not let the company *pull* money from your checking.

9. Too many credit cards from retailers harm scores-- like furniture store cards, Best Buy, Victoria's Secret, Macy's, etc. If you must have retailer's cards I recommend having no more than two. VISA, Mastercard and American Express Banks and credit unions are better for scores; finance, low limits & too many store cards are worse for scores.

10. NEVER close a credit card unless it is the most recently opened card. ALWAYS keep at least 2-3 credit cards open.

11. Opening new credit cards DROPS FICO scores for years. Try to keep only the ones you have open if you want the very highest FICO scores.

12. Do not use "same as cash" financing such as "no payments for XX months" and/or "same as cash if you pay by XYZ date".

13. Stay away from pretty much all credit offered by non-banks, non-credit unions, non-auto firms like Ford Motor Credit, Toyota/Lexus Credit.

14. If you use credit unions make SURE they report to all 3 major Reporting Agencies.
Some only report to 2 or 1 Reporting Agency causing many credit problems.

740plus.com

740plus@gmail.com

(818) 813-8230 740plus Credit Score Repair