



Your Credit:

What are the numbers?

How to maintain or rebuild the score

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Tips and Tricks to build or maintain your credit score:

1) Always pay your bills on time: This sounds easy but many forget a payment when life gets busy.

Tip: Set a reminder in your phone monthly to remind you to pay your bills.

2) Do not apply for credit if you do not need it: Requesting credit 3-4 times a year is considered normal. More than that may affect your score per inquiry.

3) Lenders look for the 2/2/2 rule : 2 years of credit, 2 sources and at least \$2000 limit on one source.

What are sources? Line of credit, Credit Card, Car loan, Term loan etc. Student loans do not count as one of these sources as your credit was not a factor in order to qualify. Missed payments on a student loan absolutely can affect the score though once you are obligated to start paying.

4) Credit agencies only report once a month: This means if you use your credit card and pay it off the same day when the company reports to the credit agencies it will report no use if the balance owing is zero.

Tip: Make sure you wait for your bill and then pay it off in full

5) Do not max out your credit available: Credit agencies want to see that you use your credit NOT that you live on your credit. Typical favorable limit vs balance is less than 50%.

Example: Your credit card has a \$5000 limit. You do not want your balance to be over \$2500 when your bill is sent to the credit agencies.

Tip: Check your balance 3 business days before the statement date. If you are over 50% of your limit make a payment to bring it below 50% and then pay the rest off after the bill is received.

6) Does checking my credit affect my score? NO: Checking your own credit will never affect your score.

7) Who are the credit agencies? There are 2 in Canada :

Equifax (www.Equifax.ca) and TransUnion (www.transunion.ca)