

## Beware of Common Credit History Killers

Courtesy of *CreditAdapter.com*

One of the biggest concerns for a creditor is your credit history. If, for example, your credit history shows a recurring pattern of late and/or missed payments, or any other credit history mistakes you made in the past, there's a strong chance that you'll be denied credit. In simple terms, creditors don't like to take risks. And if they see you as too big a risk, based on a questionable credit history, credit score or overall credit rating, your request for a loan may be refused.

And the most difficult thing is that creditors don't have to tell you exactly why you are being denied credit — they can just reject you. They will tell you that you don't have the credit score they require for granting a loan; beyond that, don't expect much else.

A good way to keep your credit in good standing is to avoid what are commonly known as "credit killers," specific problems with your credit that raise a red flag for any potential lender, mortgage company or financial institution.

### What are some of the most common and damaging credit mistakes?

Your credit score and overall credit rating are the measuring sticks by which you are judged. Here are five of the more common and credit history mistakes:

1. **Failure to establish a permanent mailing address.** If you can't prove that you live at the specific address on your credit application, you will likely be denied. Creditors don't like "fly by night" credit applicants, so be sure to establish a permanent mailing address before you apply for a loan or other credit.
2. **Having a "bad" credit history.** Your past credit history usually counts for as much as 35% of your credit score, so if, for example, you have had a history of late credit payments, this is definitely hurting your score. Missed and late payments will stay on your record for as long as six years. But the good news is that if you start to pay bills on time and establish an on-time payment plan for at least one year, those missed and late payments will likely affect your overall credit score much less.
3. **Being at your address for a short time.** If you have been at your current address for less than three years, your credit score will be lower in the eyes of most creditors. Creditors like consistency and continuity, and would-be credit seekers who move around a lot tend to make them nervous.
4. **Too many credit cards.** Every time you apply for a new credit card, an official inquiry is made on your credit history. The math is simple: too many inquiries = too many potential points against your credit score. And that may indicate overall credit history mistakes and problems. A good rule of thumb is to avoid applying for more than one new credit card per month — especially if you are planning on trying to get a significantly large loan for a home, car or other big-ticket item.

5. **Too many different jobs.** Most creditors feel better lending money to those who show a consistent employment record. If you have changed jobs a lot in the last few years, your credit score is likely to suffer. If you are planning on seeking credit, wait until you have been at your then-current job for at least six months.

### **How else can I proactively fight against "credit killers"?**

Because creditors like consistency, make an effort to check your credit information regularly. In addition to paying your bills on time and guarding against mistakes, consider learning more about credit monitoring. Combined with your own accountability and due diligence in all credit matters, regular credit report monitoring can help solidify your credit score.

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