Learn how lenders make decisions so that you can maximize your financial health.

Every lender has its own method for evaluating financial health. By understanding the factors that most lenders look at, you can be better prepared to achieve your financial goals.

The financial factors that matter most.

Typically, lenders pay the most attention to:

- **Payment history** — Do you pay your bills on time?
- **Current debt** — Can you take on more obligations?
- **Collections** — Do you have any accounts in collections?
- **Public records** — Have you had any bankruptcies or liens?
- **Types of credit** — What kind of accounts have you managed? (Credit card, auto loan, etc.)
- **Credit history** — How long is your credit history?
- **Recent activity** — How many new credit inquiries have you had?
- **Credit score** — Are you a good candidate for credit?

Any one or a combination of these important items can influence the way lenders see you and the type of products and services that you are offered.

Your credit score and what it means.

Your credit score is important to your overall financial picture. It tells lenders whether you're likely to repay your debts based on how you've managed your finances in the past. Individual scores can vary widely and what is considered a "good" score can vary by lender. You can get a free copy of your credit report by visiting annualcreditreport.com.

5 ways to maintain good credit.

To maintain your financial health, remember to:

1. **Pay all bills on time.** Late payments, collections and bankruptcies hurt your credit score the most.
2. **Check your credit score regularly.** Report inaccuracies to the credit reporting agencies immediately.
3. **Manage your debts.** Review your credit card statement and stop using your card if you are approaching your credit limit.
4. **Establish a credit history.** Having a long history of paying bills on time is important. To show that you can use credit responsibly, make monthly payments on time and pay more than the minimum amount due.
5. **Avoid too many inquiries.** Every time you apply for credit, lenders look at your credit report. Too many inquiries in a short time may indicate you're taking on too much debt.

What's in your credit report?

Modern credit reports typically include:

- **Identifying information.**
  Your name, current and previous addresses, phone number, social security number, date of birth, and current and previous employers.
- **Public records.**
  Bankruptcies, tax liens, monetary judgments, debts in collection and, in some states, overdue child support.
- **Credit information.**
  Details about open and closed accounts, such as opening date, credit limit or loan amount, balance due, monthly payments and payment history.
- **Inquiries.**
  Names of those who obtained information from the credit report over the past two years, including consumers who request a copy of their own report directly from the credit reporting agencies.
- **Dispute instructions and your rights.**
  Information on your consumer rights, including instructions for disputing any inaccurate or outdated information in your report.

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How staying in control of your credit can help you reach your financial goals.