Protecting your credit.

Your credit score plays a vital role in your financial health, affecting everything from loan approvals to interest rates. Protecting your credit is essential to maintaining your financial stability and ensuring you have access to the best opportunities. Here are some key steps to help protect your credit:

1. Monitor Your Credit Regularly

Regularly check your credit reports to spot any errors or suspicious activity. You're entitled to one free report each year from each of the three major credit bureaus (Equifax, Experian, and TransUnion). You can get your free reports at **AnnualCreditReport.com**. Monitoring your credit helps you catch inaccuracies and identity theft early, giving you time to resolve issues.

2. Pay Your Bills On Time

Late payments can damage your credit score and remain on your credit report for up to seven years. Setting up automatic payments or reminders can help ensure you never miss a due date. Consistently paying your bills on time is one of the most effective ways to maintain a healthy credit score.

3. Keep Your Credit Utilization Low

Credit utilization is the percentage of your available credit that you use. Try to keep it below 30%. High utilization can negatively affect your credit score, even if you make your payments on time. To keep your ratio low, consider paying off your balance before the statement date or increasing your credit limit.

4. Protect Your Personal Information

Guard your personal and financial information to prevent identity theft. Avoid sharing sensitive details over unsecured networks or with anyone you don’t trust. Use strong, unique passwords for online accounts, and consider setting up alerts for unusual activity with your bank or credit card provider.

5. Avoid Opening Too Many New Accounts

Every time you apply for credit, a hard inquiry is made on your report, which can temporarily lower your score. Opening multiple accounts in a short period of time can indicate financial instability and hurt your credit score. Only open new credit accounts when necessary and avoid making multiple applications within a short time frame.

6. Resolve Any Negative Marks

If you have negative marks on your credit report, such as late payments or collections, take steps to resolve them. Work with creditors to set up payment plans or negotiate settlements. As negative items age, they will have less impact on your score, but addressing them quickly can help prevent further damage.

7. Use Credit Responsibly

Don't overspend or take on debt you can't handle. Only charge what you can afford to pay off each month. Responsible credit use shows lenders that you're financially responsible, helping to protect your credit score in the long term.

Final Thoughts

Your credit score is a powerful tool that can help you save money and unlock opportunities, so it's worth taking the time to protect it. By monitoring your credit, paying bills on time, keeping your utilization low, and being cautious with your personal information, you'll build and maintain a solid credit history that supports your financial goals.

Remember, UBI Financial Credit Union is local and here for you! Please let us know how we can help with your banking and financial needs! 860-747-4152 or find us at www.UBIFCU.com