

HOW TO IMPROVE YOUR

Balance-to-Limit ratio.

Your balance-to-limit ratio looks at the balance you owe vs. your available credit lines. This has a 30% impact on your score. Keeping your credit balances below 50% of your available limit is very important. Keeping your balances below 30% of your available credit is even better.

THREE PRACTICAL STEPS TO IMPROVE YOUR CREDIT SCORE IN THIS AREA:

- » **Don't close your credit accounts** unless it is necessary to do so. It is better to have many open accounts with little or no balance than to have just one or two accounts regardless of the balance.
- » **Don't concentrate large balances** on just a few accounts. Pay outstanding debt down as close to zero as possible, and evenly distribute the remaining balance across all your open credit lines. The key is to keep the balances down below 30% or at the very least 50% of your available credit line(s).
- » Call your credit card companies and try to **increase your credit limits** if they can do so without pulling a new credit report.

Contact me today to learn more.

Michael Johnson
LOAN OFFICER

NMLS 2701925
210.872.1297
mjohnson@altahl.com
altahl.com/loan-officers/michael-johnson
99 Trophy Club Dr Ste 334
Trophy Club, TX 76262



Michelle Keller
CENTRAL TEXAS TEAM LEAD

Phillips & Associates
mkellerrealtor@outlook.com
M: 512.296.6562
www.phillipsrealty.co/
8 Dominion Dr Bld 100-110
San Antonio, TX 78257

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