

Step 1 for Bad Credit? Check All Three of Your Credit Scores

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Information is key for consumers who want to turn the corner on bad credit. The first step is to check all [three of your credit scores](#) and reports. According to FICO Inc., 25.5% of consumers, or nearly 43.4 million people, now have a [credit score](#) of 599 or below. Additionally, 25% of credit reports have a significant error. American consumers who check their credit scores and reports regularly to catch errors can better protect their credit histories.

According to Carrie Coghill, a Top 100 Financial Advisor and the Director of Consumer Education at FreeScore.com, "Knowing your three scores and reports allows you to see your financial problems on paper. Once you know the issues, you're in a position to take appropriate steps to fix them yourself."

Coghill suggests that if your budget is tight, you can improve your own credit by tightening up your spending habits. Again, information is the key to self-help. "Know what expenses you have and how much you can spend each month. Once you understand what you can afford to spend, you can contact your creditors to explain your financial situation and discuss a new payment plan. Always paying your bills on time and reducing your debt-to-credit ratio are also important [factors in maintaining a high credit score](#)," she explained.

Coghill says another way you can improve your credit is by avoiding making drastic changes in credit cards or bank accounts. Lenders look for responsible and stable potential clients -- making rash decisions, such as opening or closing a large number of bank accounts or having lots of inquiries on your credit report, can make you look like an irresponsible and unstable customer.

About FreeScore.com

FreeScore LLC is a leading provider of online information management services that help consumers take charge of their own finances to reach their financial goals and achieve safety and security in their personal lives. FreeScore.com is a leading online consumer information site, providing its members with affordable, unlimited access to all three of their credit scores and their complete credit profile. Launched in 2009 with an award-winning marketing campaign, more than 750,000 members have joined FreeScore.com to better understand their credit scores and reports. Members have unlimited access to their credit scores from all three bureaus, a complete credit profile, credit score simulator, and expert tips, articles, videos and other educational information about managing your own credit. For more information, go to www.FreeScore.com.

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