



PROGRAMA PATROCINADO POR **WELLS FARGO**

# **GUIDE TO INCREASE YOUR CREDIT FROM 0-850 PRACTICAL AND FREE TIPS**



## Reasons why its important to have a good personal credit:

1

### Access to low interest rates.

It helps you save money.

2

### Access to loans.

You can improve your financial well-being.

The strategy we share in this guide will help you **increase your credit score** in the first 30 days, and from there, gradually improve your personal credit with the tips we provide. If you follow the steps we recommend, your credit score will be in good shape after six months.

When you understand how the algorithm that determines your personal credit works, it becomes much easier to improve it.

Think of the credit algorithm as the "God" of credit. What the credit algorithm monitors is:

1. It checks your credit every 14 and 30 days.
2. It monitors your spending patterns.
3. It reviews what factors have changed.

The keyword is **"change."** If the algorithm notices drastic changes in how you use your credit, **positive changes** help increase your score, and **negative changes** reduce it.

There are things we do that we think won't affect our credit - in this guide, we'll share practical tips that will help you improve your personal credit in the shortest time possible.

If your credit score is below 550, with some of the tips we provide, you can raise it to over 750.

We want to take you from a low credit level to **PRO** level credit. With better credit, you'll have more access to capital, lower interest rates, and other benefits.

**Pay attention and take action!**

Read the following points carefully - they will help you begin your journey toward a PRO-level credit score of 760+.

The credit algorithm carefully monitors the following:

**Payment History -  
35% importance.**

It's essential to pay your bills on time. We'll share some key tips related to this point later on.

**Total Credit Utilization - 30%  
importance.**

Use less than 30% of your total available credit across all your accounts.

**Types of Approved Credit -  
15% importance.**

This shows you that you have the ability to manage different types of credit lines effectively.

**New Credit -  
10-12% importance.**

The algorithm considers how many credit lines are new and how long you've had other accounts. Applying for new lines of credit in a short period can potentially affect your score.

**Credit History Length -  
5-7% importance.**

A short but good credit history is better than a long and bad one. However, a long positive history is also beneficial to your score.

**In summary, 65% of your credit score mainly depends on two things:**

1. Pay on time.
2. Use less than 30% of your total available credit.

## Short-Term Changes You Can Make to Start Improving Your Credit:

- 1 Visit **www.annualcreditreport.com** to get your **free credit report** from three major credit bureaus in the United States:




- 2 If you see an account on your report that you don't recognize, make sure it's removed from your report by the respective credit bureau.

- 3 Create a profile with each of the credit bureaus. It's free.

- 4 Monitor your credit more effectively.

- 5 Keep in mind that the credit algorithm typically monitors the last 7 years of your credit activity - late payments and other negative marks will stay on your report for that length of time. A Chapter 7 bankruptcy will generally stay on your report for 10 years. But don't worry - the credit algorithm gives more weight to your recent behavior than your past when it comes to your credit history.





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Step 2  
Create your account

Step 3  
Verify your identity

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All fields are required (except where noted).

First Name

Middle Name (Optional)

Last Name

Date of Birth (MM/DD/YYYY)

Last 4 Digits of Social Security Number

MORE THAN  
12  
MILLION  
MEMBERS  
SERVED

What you'll instantly receive:

Score:  
832

Sample score

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1

Account

Verify

Info

Account

Verify

## Let's get started

We'll need some information first.

Already have an account? [Sign in here](#)

### Personal information

**First name**

**Last name**

**Date of birth (MM/DD/YYYY)**

**SSN or ITIN (XXX-XX-XXXX)**

Your Social Security number helps us locate your credit report and verify your identity.


**Mobile number (XXX-XXX-XXXX)**

We may text you to verify your identity and to provide service-related alerts. Message and data rates may apply. If you do not have a mobile number, use your home phone number.

To open your free account with Equifax, visit:

<https://bit.ly/TuFuturo-Equifax>



Already a member?

First Name

Last Name

Current Street Address

Apt, Unit

ZIP Code

City

State

Have you lived at this address for 6 months or more?  
☒ Yes ☐ No

Create Your Account

Email Address This will be your username  
Password  
What is the main reason you visited Experian today?  

Please select an option

\*Credit score calculated based on FICO® Score 8 model. Your lender or insurer may use a different FICO® Score than FICO® Score 8, or another type of credit score altogether. [Learn more.](#)

By clicking "Create Your Account": I accept and agree to your [Terms of Use Agreement](#), as well as acknowledge receipt of your [Privacy Policy](#).

I authorize ConsumerInfo.com, Inc., also referred to as Experian Consumer Services ("ECS"), to obtain my credit report and/or credit score(s), on a recurring basis to:

- Provide my credit report (and/or credit score) to me for review while I have an account with ECS.
- Notify me of other products and services that may be available to me through ECS or through unaffiliated third parties.
- Notify me of credit opportunities and advertised credit offers.

I understand that I may withdraw this authorization at any time by [contacting ECS](#).

Create Your Account

✓ Free Experian Credit Report and FICO® Score

✓ Increase your FICO® Score with Experian Boost

✓ Report and Score Refreshed Every 30 Days On Sign In

✓ FICO Score Monitoring with Experian Data

✓ Experian Credit Monitoring and Alerts

✓ Free Dark Web Surveillance Report

✓ Credit Cards and Loans Matched for You



Completely Free and Easy

No purchase or credit card required. Checking your own credit will NOT hurt your credit scores.



Safe and Secure

The information you provide will be transferred to us through a private, secure connection.





To open your free account with Experian, visit:

<https://bit.ly/TuFuturo-Experian>



## Tip for Young People Reading This Guide:

As soon as you turn 18, apply for a credit card so you can begin building your credit history.

Another important tip is to avoid using 100% of your available credit. Remember to stay under 30%, and if possible, pay off your balances each month to avoid interest charges.



## TIPS AND TRICKS TO BOOST YOUR CREDIT SCORE

### TAKE NOTE!

**1 Open secured credit lines.** For example, go to a Credit Union in your area and open an account with \$200. Repeat this strategy with 2-3 more Credit Unions, depending on your budget. After opening the accounts, ask the Credit Union to issue you a "Secured Personal Loan." Since these are secured lines of credit, you'll pay a very low interest rate. Make your payments on time - this will help gradually increase your personal credit score.

**2 Ask a family member with good credit** if they can add you as an authorized user on one of their credit cards. It won't affect them, and it can significantly help boost your score in a short time.

**3 Request a credit limit increase** on your credit cards. Just be careful - a higher credit limit doesn't mean you should spend more. Always stay under 30% usage.

**4 Don't open new credit accounts in the short term while you're working on increasing your credit score.** Once you've reached a score of 700+, you can begin applying for new lines of credit.

**5 Stay on top of your payments, and if possible, make multiple payments each month on your credit lines.** Showing the ability to make payments throughout the month and reducing your balances can significantly help increase your credit score.

**6 Try to avoid making large purchases with your credit cards or credit lines** - especially in the short term, while you're working on improving your credit score.

**7 If, for any reason, you've ended up in collections,** prioritize the accounts that are less than two years old on your credit report. Try to negotiate payment terms or any other factors that could help improve your score. Always make sure that any agreement you make with a collections agency is in writing, so you have proof if needed for future negotiations.

**8** **Avoid carrying balances on your credit lines.** Try to pay off your balances before the 30-day mark, and don't stop using your credit cards - keeping them active helps preserve your credit history.

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**9** **Avoid transferring balances when you're offered introductory rates.** After the promotional period ends, the rates might be higher than what you were paying before - so be very careful with that.

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**10** **Consider credit consolidation.** Instead of making payments on multiple credit cards, you can get a credit line from companies like SoFi or any company that offers credit consolidation - pay all of your debts, and then make a single payment to just one company. This strategy is acceptable when you're in the process of building credit. The idea is to get a loan with a lower interest rate than what you're currently paying, allowing you to pay off all your high-interest debt more efficiently.

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## LONG-TERM STRATEGIES

**1 Apply for new credit within a two-week window.** If you're planning to apply for new loans -for example, to buy a house- the credit algorithm will give you positive points if you shop around for the best loan option within a **two-week period**.

**2 Remember the 30% rule.** Stay under 30% usage on each account and across your **total available credit**. This is extremely important, which is why we emphasize it so much.

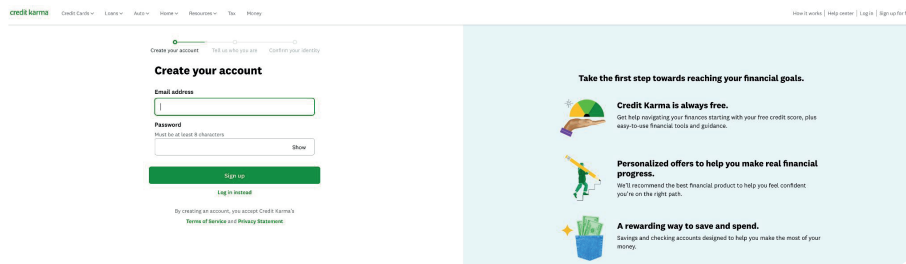
**3 Keep personal and business expenses separate.** Talk to your CPA or business attorney to see if you can form an **S Corporation** to manage everything related to your business. That way, you can apply for auto loans, business loans, etc., under your business name instead of your personal credit. This helps **protect your personal credit** and contributes to building your business credit, which is also very important. You'll be the guarantor on the business loan, but if for some reason there's a delay in repayment, it won't show upon your personal credit.

**4 Expand the variety of your credit lines.** Open new accounts and diversifying the types of credit lines you have will help **lower your credit utilization** and present a more **diversified credit profile**, which has a positive impact on your credit score. Keep in mind, this is a **long-term strategy**, to be used once your credit score is already in a strong position.

## LONG-TERM STRATEGIES

Credit Karma. You can use this service to monitor the growth of your credit score through the Credit Karma app, so you can track your progress.

You can sign up at: <https://bit.ly/TuFuturo-CreditKarma>



**5 Freeze your credit.** Freezing your credit does not affect your credit score and is free of charge. It helps prevent someone else from using your Social Security Number (SSN) to apply for loans or open new lines of credit without your authorization. It's a preventive measure. You can freeze your credit through any of the credit bureaus.

Your goal should be to reach a **credit score of 740-760** to gain access to the best credit lines available. With that score, you'll have access to the **same benefits as someone with an 850 score**.

**6 Protect your identity.** Make sure to protect your identity to avoid identity theft that could put your credit at risk. There are various services on the market you can consider like:

<https://www.identityguard.com>).

**7 Invest in buying property.** Buying a house or the commercial space where your business operates can greatly help maintain a high credit score, as long as you pay on time. So, consider a home loan as part of your long-term strategy for building and strengthening your credit.



## DISCLAIMER

The content of this guide should **not** be interpreted as business, tax, legal, insurance, health and safety, financial, life, or any other form of advice, and the content may be outdated or inaccurate; it is **your responsibility** to verify all information on your own.

The *Hispanic Chamber of E-Commerce, HISCEC Foundation and strategic partners* are **not responsible** for any actions taken as a result of this guide. It is your responsibility to consult with your accountant, attorney, or certified advisor to make the decisions that best apply to your individual situation.

We are not liable for any situation that may arise due to your lack of consultation with the appropriate professional advisors.

**Please consult your financial and legal advisors before implementing any strategy intended to help you build your credit score.**

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