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*Listening, learning,
and living together:
it's the science of life.*

Maintaining a Good Credit Rating¹

Josephine Turner²

A good credit rating is a valuable asset in today's credit-oriented society. If you have a good credit rating, it's worth protecting.

Your credit rating begins when you first apply for credit. The loan officer examines the information on the credit application for three items, usually known as the three C's of credit:

Character: your reputation for honesty and reliability and your record of responsibility.

Capital: things of monetary value that you own.

Capacity: the income you now have, and what can be expected in the future with which to pay for the credit you get.

The loan officer will also conduct a credit investigation, including a review of your credit bureau report. The report includes the information that you've given about yourself on credit applications. It also includes information your creditors have given the credit bureau about you. Creditors give the credit bureau such information as how often you use credit, what you use credit for, and the speed with which you pay your bills. Even a single 30-day late payment can have a detrimental effect on your credit rating. Likewise, too much available credit or being denied other credit can have negative influence. The loan officer decides to grant or deny credit based on the results of the credit investigation.

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Maintaining a Good Credit Rating

Your credit record, good or bad, follows you wherever you go. So, choose your credit wisely and pay on time!

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