Understanding Credit Scores & How to Improve Them

A credit score is essentially a lender's shortcut for deciding how risky you are to lend to, and it's built from a handful of factors that most people never actually look at until they need a loan. Repayment history carries the most weight — a couple of missed credit card payments can drag a score down faster than almost anything else. Credit utilization matters too: running your cards close to their limit every month signals financial stress to a lender even if you pay in full each time.

Someone sitting at a 600 or so isn't stuck there. The path upward is fairly predictable, if not always fast — pay every due date on time without exception, bring utilization down to well under a third of the available limit, and resist the urge to apply for several cards or loans within a short window, since each hard inquiry dings the score a little. Older, well-managed accounts also help, so closing an old credit card that's paid off isn't always the smart move it seems to be.

It's worth pulling your credit report every few months, not out of anxiety but because errors do show up — a loan marked as unpaid when it's actually closed, or an account that isn't even yours. Getting these corrected can move a score by twenty or thirty points on its own. None of this happens overnight; a realistic climb from 600 to 750 usually takes six months to a year of consistent behavior, but lenders do notice, and the difference shows up directly in the rate you're offered.