Use These 30 Tips to Build out Your Many Chat Bot Sequence with Your Customers

1. **Payment history:**

Your paying habits contribute 35 % of your credit score. If you have recent late payments, this will lower your score more than if you were behind in the past. In addition, a 90-day late indication will severely damage your score over a 30-day mark. Also, public records like tax liens, judgments, and bankruptcies fall into the same category and could reduce your score even further, so make sure you are current with the creditors and always pay your bills on time.

2. **Amount you owe:**

The balance on your accounts is 30% of your available credit score. So, using all your credit will worry lenders and hurt your score. The lower your balance is, the better your score will be. You should keep your balances around 7% to 10% for each account. Also, if you make a big purchase and want to maintain the 10% balance level, make sure you pay off your purchased item before your bill cycles. If you pay after the cycle, the lender will report your high balance.

3. **Length of credit:**

The amount of time you've had your credit makes up 15% of your credit score. The age on your tradelines is very important to lenders because it shows that you have paid your bills on time. Reliability and longevity are good traits for additional credit, so don't close old accounts. If you have too many accounts, you can close some accounts that are new with low limits.

4. **Type of credit you use:**

This section makes up 10% of your credit score. FICO wants to see a healthy mix of tradelines, such as major bank cards, retail store cards, installment loans for a car, personal, or mortgage loan.

5. **New credit:**

New credit makes up 10% of your credit score. The FICO model examines how many accounts you have recently applied for as well as any new accounts you have opened. The model looks at how much time has passed since you requested new credit, and the amount of time since you opened another account. If you open too many accounts in a short period, you will look desperate to the lenders, and they don't loan money to needy customers. So, try not to apply for more than two new accounts per year.

6. **Request a credit limit increase:**

If your credit score is above 650, you can ask your current credit card company for an increased limit. This lowers your credit utilization for that current credit card, but this can also improve your credit score. Don't try this strategy if your credit score is below 650, as you may be denied and this can hurt your credit score due to a hard inquiry pull.

7. Adding another credit line:

You can try adding another credit line to your credit report, which could help your overall credit utilization because more credit is available to you. The key here is to add this new form without using more that 5% of its available credit. If you decide to use it and are charged more than 30%, it could have a negative impact on your score because it's now raising the overall utilization of all available credit.

8. Pay more than the minimum:

Credit utilization is 30% of your overall credit score. The faster you pay off your balances and get them under 50%, the quicker you will see a credit score increase. So, if you have used more than 50% of your available credit, and pay the minimum every month, it will take a while before your credit card balance below 50% to see an improvement in your credit score. The solution to this problem is to double your payments monthly or apply any extra money towards the balance.

9. Negative accounts within the first 24 months:

According to the FICO Scoring Company, any negative account that appears on your credit report within 24 months from today will have the most damage to your credit score. This means that to improve your credit score, you must block new negative accounts from appearing on your credit report by negotiating a settlement before the item hits or disputing any inaccurate accounts with the credit bureaus.

10. Credit monitoring score simulator:

Most credit monitoring services offer online credit reports with score simulators and provide reasons why your score is at its current number. Use the simulator to see what your score would be if you removed an inaccurate item, or is a new derogatory item has impacted your credit report. You can also review the section that tells you why your credit score is low. Knowing this information can help you formulate a strategy to improve your credit score.

11. Correcting personal information:

Credit bureaus process millions of files daily, so they may make mistakes when it comes to your personal information, such as your first name, last name, date of birth, social security number, current and prior addresses, and past employment history. These errors can cause the bureaus to mix your information with another consumer's data, meaning their negative information can appear on your credit report and thus reduce your credit score. In conclusion, dispute all inaccurate personal information on your credit report.

12. Authorize user account:

Adding a credit line with a good payment history to your credit report can help improve your credit score. You can do this with an authorized user account. This is 100% legal if you are

using a family member to assist you. But if you buy a tradeline from a company, FICO can tell the difference, and you may not see a boost in your credit score.

Ask a family member to add you as an authorized user on their credit card account. After 30-60 days, your family members' entire credit history for that account will appear on your credit report. This could increase your credit score if they have a good payment history.

13. Inactive credit cards:

Closing a credit card with a good payment history could hurt your credit score because the length of credit represents 15% of your overall credit score. So, if you have unused credit cards, start using them by making small purchases, and then paying them off before your monthly bill cycles. FICO likes to see good payment history, and if you stop making payments because you are not using the credit card, two things could happen. One, the credit issuer could close your credit card, and this will impact your score, and your FICO score could be impacted because your monthly payment history has stopped.

14. Pay Per Deletion:

A paid negative account does not really give a credit score boost because the account is still negative, though it appears as being paid. We recommend a system where you Pay Per Deletion if you are thinking about settling an account with a furnisher.

Offer the furnisher 100% of what you owe in exchange for them deleting the item from your credit report. <u>During this deal, you must get in writing.</u> Most collectors or creditors will not agree to a Pay Per Deletion if you offer less than the full balance. There is no guarantee that the furnishers will accept your deal, but if they do, and the item is deleted from your credit report, you could see a boost in your score.

15. Slow down the collection reporting:

If you owe a debt and you fail to pay, collection agencies will report the unpaid balance to the credit bureaus, and this will drop your credit score by 25-30 points. You can slow this down by responding to the debt collector with a debt validation letter. Once you receive a notice in the mail from the collector stating that you owe money and you have 30 days to dispute this debt, send the letter right away. This will stop the collector from reporting to the bureaus until they can provide you with the proof required by the Fair Debt Collection Practices Act. You can also negotiate a payment plan to stop the reporting.

16. Goodwill letter:

Creditors work hard to gain your custom, so you can use a goodwill letter to try to remove one late payment from your credit report. This won't work if you have more than one late payment. You will ask the creditor to forgive that one late payment as it was a result of your prior good payment history. Sometimes this strategy works, and sometimes it does not. But if the creditor does forgive the one late payment, your credit score could increase.

17. Co-Signer:

As you know, adding more credit to your credit report will help with a mixture of credit factors that generate your credit score. If your score is low, and you want to add an installment loan to your credit history, try getting someone to co-sign for you. A co-signer will help you get approved for a loan by signing their name and becoming responsible for the loan if you default on it. Getting approved for a loan could help you improve your score, but it could also hurt your relationship with your co-signer if you fail to pay the loan.

18. Opening too many credit card accounts:

Having a lot of credit cards may seem cool but opening too many new accounts could hurt your credit score because it decreases the overall age of your credit history. Not only that, creditors don't like to see a lot of new accounts opened in a short period, and this will also hurt your chances of getting approved for other credit. You only need two to three credit cards to maintain a good credit profile.

19. Credit card denial letter:

Did you know we can learn a lot from the credit denial letters that are sent to us from the creditor? We get these letters when a credit score is below 650, or we have too many new accounts, and the furnisher did not approve you for a loan. To use these letters to improve your credit score, read them and write down the reasons why you were denied and then work on improving your credit history based on these reasons.

20. Avoid being late one time:

Did you know being late just one time could drop your credit score anywhere from 25-30 points? This is crazy, but it's true. So, the key to an improved credit score is to never be late. Do whatever you have to do to make your payment. A good strategy is to place all payments on auto transfer, so you don't have to remember when to make the payment. A second thing you can do is to set reminders for when the payment will come out, so you can make sure it was taken.

21. Builder strategy:

Use this strategy when you are trying to add more positive tradelines on your credit report to help improve your credit score. Get two secured credit cards with limits from $200 to $500. Use 5% of the available credit and make your payments on time. At the 6-month mark, apply for a secured loan product at your local bank. This will add another tradeline to your credit report, and it will help with the mixture of credit. Now, pay this new loan on time until it is paid off. Having a mixture of credit with a solid payment history should help boost your score.

22. Rent to own

Some furniture stores have rent-to-own programs where, if you pay the item off within a certain amount of time, they will report your good payment history to all three credit bureaus, which could help improve your credit score. Before signing up for one of these programs, contact the store and ask them if they offer this program and, if they do, which credit bureaus they report

to. Knowing when and which bureaus they report to is important for assisting you with improving your score. Ideally, you want them to report to all three bureaus.

23. Rent payment:

Some companies can help you add your rent payments to your credit report to improve your score. Before signing up for this program, ask the company how the process works, when the rent will be reported to the bureaus, which bureaus, how many bureaus, and how the leasing office is involved. This could be a good method to improve your credit score because it adds another positive line to your credit report.

24. Low credit card utilization:

If your problem is high utilization, meaning all your credit cards are maxed out, then you need to start paying down your balance to see a fast increase in your credit score. Payment utilization is 30% of your overall credit score, and a low utilization between 1-5% will give your score a huge boost quick. So, put all your extra money towards your maxed credit cards to get them down.

25. Know who is looking at your credit report:

When you give your Social Security number out on applications, you are giving the creditor permission to look at your credit report, but you must take care to check if unauthorized users are looking at it too. If a creditor pulls your report without your authorization, it can lower your credit score and you should immediately dispute the unauthorized inquiry with the credit bureaus.

26. Contact the creditor:

When disputing an item on your credit report, you should contact the credit bureaus and the creditor as well. Make the creditor prove that you were late as they are reporting it to the credit bureaus. If they can't prove that you were late, ask them to delete the negative item on your credit report. This can improve your credit score.

27. Don't close old accounts:

Closing tradelines won't help. In fact, it will hurt your score by reducing your total available credit and make your balances seem higher. It also makes your total credit look young, and the FICO model likes to see payment histories on accounts. Lastly, you want to keep your cards active by having a monthly bill debited from your card at the end of the month to avoid the creditor from closing your account due to lack of use. Most lenders will close inactive accounts after 18 months of no card usage.

28. Apply for credit sparingly:

Don't apply for too many accounts in a short period of time because the credit bureaus will send a Trans Alert to the creditors informing them that you have applied for multiple accounts.

29. Re-aging:

Ask your creditor to re-age your account to improve your credit score. This method is when your creditor agrees to forgive your late payment history and reclassifies your account as up-to-date. You must qualify for re-aging, according to the Federal Financial Institutions Examination Council (FFIEC), and establish and follow a policy that requires you to demonstrate a renewed willingness and ability to repay the debt. The account must be at least nine-months old, and you must make three consecutive monthly payments.

30. Don't pay off old debts to collectors:

Paying off outdated, negative bills can hurt your score by renewing the date of the debt's last activity and making it current. According to the Fair Credit Reporting Act Statute, if the debt is close to falling off your credit report, just let it reduce on its own.