

Debt and credit

Your credit score can change for the better

Your credit score is a snapshot, not a verdict. What goes into it, how to check your reports for free, and the habits that move it in the right direction.



5-minute read • Updated October 2026 • Checked against its sources

The short version

- ✓ Your credit score is a snapshot of your credit report, not a verdict on you. Paying on time and keeping balances low move it most.
- ✓ You can check your credit reports free every week at AnnualCreditReport.com. Checking your own report doesn't hurt your score.
- ✓ Errors are common: 1 in 5 people in a 2013 FTC study had one. Disputing is free, and the credit bureau has 30 days to investigate.

Rather talk it through?

A volunteer financial adviser can help with your situation, one-on-one, for free.



Point your phone's camera at the code, or go to:

go.advisersgiveback.org/start

From a nonprofit. Every volunteer adviser is a fiduciary, which means they must put your interests first. We never sell your information.

1

A snapshot, not a verdict

Many people treat their credit score like a grade on their worth. That makes it tempting not to look, especially if past mistakes still sting. But your score isn't a judgment of you. It's a snapshot of your credit report as it stands today, and snapshots change.

Your credit report is a summary of your credit history. It lists your accounts, how you've paid your bills, and things like a bankruptcy.¹ A credit score is a number built from that report. Banks, card companies and other businesses use it to estimate how likely you are to pay back what you borrow. A higher score makes it easier to qualify for a loan and a lower interest rate.²

You don't have just one score. There are many scoring formulas, and lenders use different ones for different kinds of loans. Many scores range from 300 to 850. So it's normal to see different numbers from different places. ²

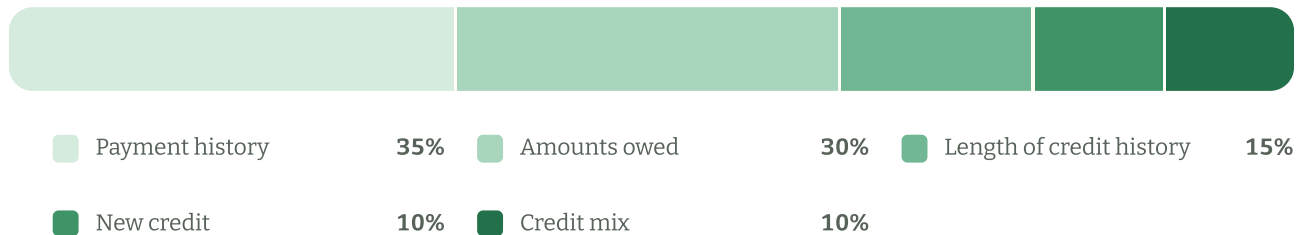
2

What goes into your score

FICO, a company that makes credit scores, publishes how much each part of your credit report counts in its scores.

Paying on time and how much you owe make up 65% of a FICO score

How much each category counts in FICO scores, for the general population



FICO says the weights can differ from person to person, for example for someone new to credit.

Source: FICO (myFICO), How are FICO Scores Calculated? (Accessed September 2026)

Payment history counts most, at 35%. How much you owe comes next, at 30%. That includes how much of your available credit you're using. The length of your credit history counts for 15%. New credit and your mix of credit types count for 10% each. ³

These weights are for people in general, and they can differ for you. Someone new to credit, for example, is scored differently. ³ Your FICO score uses only what's in your credit report. Lenders may still look at other things, like your income. ³

The Consumer Financial Protection Bureau (CFPB) agrees on the big one: paying your bills on time, every time, has the greatest impact on your score. ²

3

Check your reports free, every week

You can check your credit report from each of the three nationwide credit bureaus, Equifax, Experian and TransUnion, for free every week at AnnualCreditReport.com. ¹ You can also order them by phone at 1-877-322-8228, and they'll come by mail. ¹

AnnualCreditReport.com is the only site authorized to fill orders for the free reports you're entitled to by law. Other sites may use look-alike names to sell you something or to collect your personal information. ¹ And checking your own report doesn't hurt your score. ⁴

When you get your report, look for: ²

- mistakes in your name, address or phone number
- loans, cards or other accounts that aren't yours
- payments marked late that you paid on time
- accounts you closed that are listed as open
- the same debt listed more than once

**Try it this week**

Pull your reports from all three bureaus at AnnualCreditReport.com and read them with a pen in hand. Circle anything you don't recognize. It's worth reading each one: the bureaus may get information from different sources, so the reports may not match. ¹

4

If something's wrong, dispute it

Errors are more common than you might think. In a study required by Congress, the Federal Trade Commission (FTC) found that 1 in 5 consumers had an error on at least one of their three credit reports. ⁵

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consumers in an FTC study had an error on at least one of their three credit reports

For 5%, the errors could have meant paying more for things like auto loans and insurance.

Source: Federal Trade Commission, In FTC Study, Five Percent of Consumers Had Errors on Their Credit Reports That Could Result in Less Favorable Terms for Loans (February 11, 2013)

For 5% of consumers, the errors could have meant paying more for things like auto loans and insurance. ⁵ The FTC released the study in 2013, but its lesson holds: check your reports regularly.

Disputing a mistake is free. ⁶ Here's how it works:

1

Tell the credit bureau.

Explain in writing what's wrong and why. Include copies, not originals, of documents that back you up. The bureaus also take disputes online and by phone. ⁷

2

Tell the company that reported it.

Write to the business that sent the information to the bureau, like your bank, your landlord or your card company.⁹

3

Wait for the results.

The credit bureau has 30 days to investigate. It must send you the results in writing, plus a free copy of your report if anything changed.⁷

4

Check that it's fixed.

Look at your report again to make sure the mistake is gone.⁷

If an error comes from identity theft, go to IdentityTheft.gov. It's the federal government's site for reporting identity theft and making a plan to recover.⁹

5

The habits that move your score

Once your report is accurate, your habits do the rest. The CFPB points to a few that matter:²

- **Pay on time, every time.** Automatic payments or reminders help. If you've missed payments, get current and stay current.
- **Keep your balances low.** Scores look at how close you are to your credit limits. The CFPB notes that experts advise using no more than 30% of your total limit.¹⁰
- **Apply only for credit you need.** Lots of applications in a short time can look like a sign of money trouble.
- **Think before closing old cards.** If you close cards but keep the same balances, you're using more of your total limit, which can lower your score.

On balances, lower is better. Paying your cards in full each month helps get you the best scores, and it keeps your interest cost as low as possible. You don't need to carry a balance to get a good score.¹⁰ If your balances are high, our guide to [three debt payoff plans](#) can help you bring them down.

Online: advisersgiveback.org/resources/three-debt-payoff-plans/

**Figure out how much credit you're using**

Add up the balances on all your cards. Divide by the total of your credit limits. That's the share of your total credit you're using.¹⁰ For example, \$1,500 in balances on \$5,000 in total limits is 30%.

New to credit, or starting over? Secured credit cards and credit builder loans are made to help people build a credit history.¹⁰

6

Give it time

Accurate negative information, like a late payment, doesn't stay forever. A credit bureau can report most of it for seven years, and a bankruptcy for 10 years.⁷

Meanwhile, every on-time payment adds to your record. Your score improves the longer you have credit and pay back what you owe on time.²

There's no shortcut. Only time can make accurate negative information go away.⁸ No one can legally remove information from your report if it's accurate and current.⁶



Skip the credit repair promises

Some companies promise to fix your credit for a fee. But anything a credit repair company can do legally, you can do yourself for little or no cost. It's illegal for them to charge you before they help you. Walk away if a company tells you not to contact the credit bureaus yourself, or to dispute information you know is accurate.⁶

Your credit score isn't a grade. It's a snapshot, and snapshots change.

A better score takes time, but it opens doors: easier approvals and lower rates, with less worry. If you'd like help making a plan for your credit and your goals, a volunteer adviser can work through it with you, one-on-one and for free.

Questions to bring to your adviser

A volunteer adviser is ready when you are.

A volunteer adviser can look at your numbers with you and help you decide what to do first.

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Updated October 2026. This guide is general information, not advice for your situation. We check every number against its source; if something has changed, tell us at advisersgiveback.org/contact. Read it online, with its calculators and videos, at advisersgiveback.org/resources/your-credit-score-can-change/. Advisers Give Back is a 501(c)(3) nonprofit (EIN 84-4685390), and we never sell your information.