

LYONS STATE BANK OFFERS

Tips on how to get a keep a good credit score

The Lyons State Bank and financial institutions everywhere rely on the accuracy of credit bureau reports and credit scores to conduct or continue business with customers. Did you know federal law allows consumers to view their report once a year from each of the three credit reporting agencies? Each individual consumer can view his or her report by accessing [annualcreditreport.com](http://annualcreditreport.com). or you may prefer to call (877) 322-8228 to request your report.

Whether using a computer or requesting by phone, you will need to correctly answer questions about yourself to assure or “authenticate” your identity. The process is relatively simple, FREE and the on-line process takes only about 20 minutes. Once you have your credit report in hand, review each entry closely to confirm the accuracy of the records. Each of the three reporting agencies provides instructions to report errors.

The following helpful questions and answers are reprinted from the Consumer Financial Protection Bureau website.

What information goes into my credit score?

Answer: Some factors that make up a typical credit score include your bill-paying history, the number and type of accounts you have, and how much of your available credit you are using.

Here are some of the other common factors that make up a typical credit score:

- How long you have had your accounts open
- Your recent credit activity
- Whether you’ve had a debt referred for collection, a foreclosure, or a bankruptcy, and how old these are

There is no “one” credit score. There are many credit scoring formulas available to you as a consumer as well as to

lenders, and the score will also depend on the data used to calculate it. For the most common credit scores, the information that goes into your score comes from your file at the credit reporting companies. This is why it is so important to review these files to ensure they are accurate.

By law, the calculation of your credit score can’t use or take into account factors such as:

- Race or color
- Religion
- Sex (gender)
- National origin
- Marital status
- Whether you have formally disputed information on your credit report

**Tip:**  
It’s important to check your credit report to make sure the information is accurate because your credit score is based on the information in your credit report.

How do I get and keep a good credit score?

Answer: To get and keep a good credit score, first pay your bills on time.

There are no secrets to building a strong credit score, but following these guidelines should help:

- Pay your bills on time, every time. One way to make sure your payments are on time is to set up automatic payments, or set up electronic reminders. If you’ve missed payments, get current and stay current.
- Don’t get close to your credit limit. Credit scoring models look at how close you are to being “maxed out,” so try to keep your balances low in proportion to your overall credit limit. Experts advise keeping your use of credit at no more than 30 percent of your total credit limit.
- Note: You don’t need to revolve on credit cards to get a good score. Paying off the balance each month helps get you the best scores.

A long credit history will help your score. Credit scores are based on experience over time. The more experience you have with getting credit and paying your bills on time, the more information there is to determine whether you are a good credit risk.

Only apply for credit that you need. Credit scores look at your recent credit activity as an indicator of your need for credit. If you apply for a lot of credit over a short period of time, it may appear to lenders that your economic circumstances have changed negatively.

**Tip:**  
If you close some credit card accounts and put most or all of your credit card balances onto one card, it may hurt your credit score if this means that you are using a high percentage of your total credit limit.

How long does information about me stay on my consumer report?

Consumer reporting agencies are required by law to remove most negative information about your account after seven years, which generally means that if you find an item in their report that is older than seven years you should dispute that information.

Note that consumer reporting agencies are not required to remove information about bankruptcies for ten years and that civil suits, civil judgments, and records of arrest can stay on for seven years or until the governing statute of limitations has expired, whichever is the longer period.

Consumer reporting agencies can always choose to delete data earlier than required by law.

Mark Your Calendar now.

Annual Shred Day is June 10!

Securely destroy your old statements and documents. FREE!

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