



# EdFed

Federal Lender Code 834241

America's Top Student Loan Consolidator

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## Build a Credit History

The length of your credit history also plays a role in your FICO credit score. Generally, the longer you have been in the credit game, the longer you have had a credit history, the more likely it is that you will have a higher FICO score.

New credit refers to inquiries, or those new credit applications that you seek out from lenders. To improve your FICO score, don't apply for too many credit offers or seek out credit unnecessarily. You have to demonstrate that you can manage the credit you have well. Or, if you do amass new credit, it's better to accumulate that additional credit slowly, building it up over time. Don't make the mistake that a lot of people make by going on a credit-application spree, opening all kinds of credit cards and taking on new loans without so much as a second thought.

Remember: the types of credit that you have in use plays a role in your FICO score – it's 10 percent of it. You should also know that certain types of debt are deemed more favorably, helping to boost your FICO credit score. On the other hand, certain kinds of loans – for example, department store credit cards or consumer finance loans – are deemed poorly from a credit scoring standpoint. Those tend to lower your FICO credit score.

So the prudent thing to do is to focus on managing your existing credit, not applying for new credit unless you absolutely need it, and then only obtaining credit from the right types of sources – those that will bolster your credit score, and not hurt it.