



Suppose I get in over my head? How can I repair my credit history?

Financial Planning

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If you do accumulate debt, you can take steps to improve your credit history by consolidating debt and paying off outstanding loans. But be warned, applying for new credit and opening new accounts frequently can make things worse. The number of inquiries on your credit report will affect your score as a large number of inquiries on your report will make lenders think you are planning to run up a lot of debt. However, the mass inquiries made by credit card lenders, who are trying to decide whether to send you an offer for a pre-approved card, do not hurt your score unless you actually take them up on their offers.

If you find yourself unable to meet your financial obligations, contact your creditors to see if you can negotiate a more manageable payment schedule. By contacting your creditors as soon as problems arise, you might avoid a "Bad Debt" report to the credit bureau. Also consider working with a legitimate credit

counselor. The sooner you can begin to manage your credit and pay on time the better your credit report will be over time.

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