



How Long Does it Take to Repair Your Credit?

You can find all sorts of sites on the internet these days that will give you tips on how to improve your credit score. Many of them though do not provide a time frame of how long it will take for these strategies to really start boosting your score. So how long does it take to repair your credit? There is no exact answer, but this article aims to give you a rough idea of how quickly you can see your score move up depending on the credit actions you take.

First a quick review of how your score is computed. There are three major credit reporting agencies: Experian, Equifax, and TransUnion. They each collect information independently about your credit so you should check with each one to see the score they give you. Each agency basically uses the same formula though to calculate your score. Your payment history of timely or untimely bills counts for 35% of your score. The next 30% is based on your debt-to-available credit ratio. Then the length of your credit history accounts for 15%. Finally you have your types of credit and new credit applications each making up 10% of your score.

The quickest changes to your credit score are made by correcting any legitimate errors. You can see an improvement to your score within 30 days after you report or dispute false information. However, trying to correct real credit problems will take you a little longer.

Pay Down Debt

Some suggest that paying down your balances on your credit cards will bring you the fastest results. This will decrease your debt ratio, providing you with more available credit. Remember, this section of your credit counts for 30% of your score. Estimates are that you can see your score rise by 20-30 points over a 60-day period by seriously paying down your credit card debts.

Make Payments on Time

This is the largest factor in your credit, but it does take some time to establish a history of timely bill payments. The agencies only get an update to your account once a month from each of your lenders, so each month makes a difference. You should know that a two-month past due bill on your record is much worse than a one-month past due bill. This is because some of the agencies will report the one month late charges, but they all definitely record the two month overdue bills.

To truly boost your score in this area, make sure you are paying all your bills on time, even before the grace period ends. You will need to do this consistently for six to 12 months in order to see real improvement to your score.

Some Things Take a Long Time

Then there are other things that will simply stay on your record for a long time, and there is not much you can do to improve those parts of your score. For example, if you file for bankruptcy, you can expect to see that credit blunder affecting your score for the next seven to ten years. Any mortgage foreclosures will stay on your record for the same amount of time. Inquiries into your credit from potential lenders will affect your score for two years after they occur. Obviously it is best to avoid these problems in the first place, especially foreclosure; that one is a major



credit-killer.

Most credit repair work is somewhat slow and laborious. You shouldn't really expect to see more than 30 points improvement within a 60 day period. Do not get discouraged though! All the hard work will pay off in the end when you are able to get a great interest rate on your next home or auto purchase!