Which Debt to Pay Off First to Improve Credit Scoreaa

A lot of people have debt from a variety of places. Credit cards, student loans, mortgages, and more.

You want to get out of debt, but you're trying to be strategic about it. Maybe you have some big purchasescoming up that require an excellent credit score, so you want to do two things at once by paying off the debtthat will help you the most.

You may find yourself asking questions about which debt to pay off first to improve your credit score.

Is there a rule for this, or does it depend on your finances and credit? Here are some tips to consider whengetting ready to attack your debts.

How to Increase a Credit Score

Your credit score can increase from a variety of factors. The first doesn't even require paying off debt.

It involves contacting your credit card companies and asking for a higher credit limit. This can improve creditratios and help you get a better score, as long as you don't spend more on your credit cards.

You're trying to lower the percentage of credit you're using, not add to it. But be warned that this may cause ahard pull on your credit report which could temporarily lower your score.

If you want to avoid having a credit check, many credit cards will automatically increaseyour credit line basedon the age of your account, how responsibly you use the credit, andyour gross income.

So one option is to just wait until it increases on its own or go into your credit card profile and update yourincome if it's increased.

Next, in much the same way that adding to your credit limit improves your score, paying off debts can alsohelp. The idea is to use less of your available credit for a better ratio.

If you want to improve your score, consider paying off some debts.

Last, do not be late with your payments. No matter what, for a good credit score, always take care of yourpayments on time. Your credit score is impacted quite a bit by your payment history.

Which Debt Should be Paid Off First?

When you're looking to change your credit score for the better, one option is to focus your efforts on creditcard payoff. Credit cards often have the highest interest rates and account for a large percentage of yourcredit utilization.

For debt, there are installment loans and revolving credit. Installments are things such as a mortgage orstudent loans, which is a set amount of money that you borrow at one time. Revolving credit is stuff like creditcards that are borrowed on a continual basis up to a