

## **4 ways to destroy your credit**

Taking a wrecking ball to your credit rating is probably best likened to striking a match and burning all of the cash in your wallet.

The concept is simple: a bad credit rating means higher interest rates and ultimately less savings for you.

But even if you are one of those individuals who is diligent about maintaining your good credit standing, it is still possible that with a few simple missteps you could send your credit score into a tailspin faster than you can say delinquency.

So while closing out those credit card accounts you don't use or rolling over all your outstanding debt to one card may seem like sensible moves, you might actually be killing your credit rating.

### **Late payments**

The easiest way to lower your credit score is through delinquent payments or by skipping out on a bill altogether.

Since your payment history makes up 35 percent of your credit score, failing to make the minimum payment within 30 days of the due date could send your score plummeting.

### **High card balances, low FICO score**

Maxing out your credit cards or pushing your account to its limit is another surefire way to bring down that FICO score.

Experts say that consumers should aim to keep the balance on their credit card accounts no higher than 35 percent of their credit line. That means if you have \$1000 credit limit on your card, try to keep the balance no higher than \$350.

The lower your debt compared to your credit limit, statistics show you are a better credit risk and that you have more self-control.

### **Closing credit cards**

Ok, ok, we know what you're thinking: 'I've got an unhealthy number of credit cards in my wallet, I think I'll start closing those out to help my credit score.'

Since part of your score is based on the length of time certain lines of credit have been open, closing out that 10-year old credit card could take a bite out of your credit score.

### **Too many in-store cards**

Even if you vow to promptly pay them off, opening up several of these accounts in succession could spell trouble for your score because opening multiple lines of credit in short period of time is considered abnormal behavior by credit agencies, according to Fair Isaac, and it suggests that you might be more of a credit risk.