

Credit Expert Matthew Carpenter's 3 Main Reasons Your Credit Score is Below 700



Denver, Nov 12, 2020 ([IssueWire.com](https://www.issuewire.com)) - Matt Carpenter is one of the leading industry professionals in the credit consulting and credit repair space and has helped to successfully repair 500+ credit scores. His focus and determination on quick turnaround, high-quality work, and efficiency have built his reputable name and business on a strong foundation of happy customers, and a long list of referral partners. In a recent interview, Carpenter gave us the scoop on some of the main reasons why your credit score could be under 700.

Meeting the Credit Card “Requirements”

Typically one of the most important factors in determining your score in most scoring models is your credit card payment history. Late or missed payments bring your credit score down. Conversely, if you have a long history of paying your bills on time, your score will generally be higher. Another important factor is your credit utilization rate. This is the amount of credit you're actively using compared with the amount of credit available to you, based on your credit card limits. The lower the ratio, the higher your credit score. Aim to keep your utilization ratio under 30%, but for the best scores, you'll want to keep it under 10%.

Length of Credit History

The next important factor, which is probably the number 1 reason, is the length of your credit history and the number of accounts you have open. Most scoring models look at how long you have actively used credit. They normally look at the average age of all your open accounts. The longer your credit history, the better it is for your score. This is the reason that it is important to maintain good standings with your credit card companies when you're young. Even one late payment can result in a hard impact because the creditors are basing your score off of a limited history.

As far as the number of your accounts goes, credit scoring models also look at how many credit accounts you have open and how many you carry balances on. It's better to have more accounts that do not have a balance, than ones on which you do carry a balance. Now one thing to note is that you want to make sure you are keeping your credit cards active. Make sure to spend a little bit each month on every card, but pay it off to maintain that positive relationship with the creditors.

Lack of Diversity

The final factor that can contribute to a lower credit score, is the lack of diversity in your various types of accounts. Scoring models also take into account what types of credit you have, and whether they are all installment loans or credit cards. It's generally better to have a good mix of different types of credit. While it's not going to go against your credit score if you're not diversifying the types of loans, at the end of the day creditors like to see positive past credit history. The more that they can look at and take account of, the better chance you have at a higher score!

Ultimately, through Carpenter's tested and proven strategy of credit building and credit repair, there are many simple steps he can guide you through to meet your specific credit needs or issues. The key is to maintain consistency through your credit use and always be cognizant of the ways in which you are helping or hurting your chances of maintaining a healthy credit score. Some extra tips that Carpenter shared with us are: always live within your means, keep a budget sheet and stick to it, monitor your credit, and communicate with your creditors. Having a good credit score is crucial in today's ever-

evolving world, and your wallet will thank you in the long run.

Credit is like fitness, a lifestyle that requires consistency. It's time to acquire a better financial routine. For more tips & tricks, or to reach out to Matt, head over to his Instagram: [@thematthewcarpenter](#) and [@peakcreditcourse](#)

Media Contact

Mountain Peak Lifestyle

mountainpeaklifestyle@gmail.com

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