

Tips for a deadly credit score.

Looking for a home loan?
You might need to improve your credit score.

Think of a star footballer kicking heaps of goals across many seasons. Is that player likely to be selected next week? Yes, because past performance helps the coach decide who gets a game.

It's similar with your credit score. A credit score – or credit rating – is a statistical record that helps potential lenders get an idea of your credit worthiness.

By looking closely at how you've played the financial game in the past, a lender can make a safer decision about your playing future.

Considering past performance, will you keep kicking goals by repaying debts on time?

Good performance counts.

If you apply for a loan, the potential lender can look at your rating and see if you're a proven goal kicker.

The higher your credit score number becomes, the better you will get rated. It makes perfect sense really – over time your good work will get noticed.

That's right, the positive actions you make are recorded too. So, if you always make credit card payments on time, that's a big tick. However, every negative credit event is recorded too. If you miss one payment, or even apply for some payday credit that's rejected, these actions get noticed by the selectors on game day as well.



To be selected for the big match, it pays to look after your credit score. It's like training hard. A good coach rewards the committed players who put in the work up-front.

Buy Now Pay Later and Payday Loans.

Many people in our mob have found themselves financially over-extended with 'Buy Now Pay Later' services such as Afterpay, StepPay and Klarna, or payday lenders like Wallet Wizard and Nimble.

Did you know that every single purchase you make using these services may be considered a new line of credit and may affect your credit score?

POOR

EXCELLENT

Handy Hints For A Better Rating

Firstly, here's what credit agencies may consider when compiling your score.

Loan History	Credit Cards	Credit Limits	Bill Repayments
 <p>All your debts and loans, past and present, are looked at. Even loan enquiries.</p>	 <p>Every credit card you received or applied for is recorded. Including store cards.</p>	 <p>The spend limit on your cards, and regularity of payments, influences your rating.</p>	 <p>Paying a bill late gets noticed.</p>

How To Improve Your Credit Score

- 1 Consider a lower credit card limit.


- 2 Got multiple credit cards? Think about closing any you don't need.


- 3 Always pay your credit bill on time.


- 4 Avoid applying for credit too often.

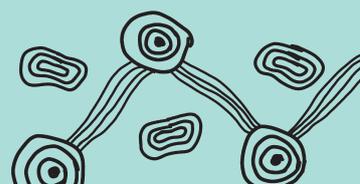

- 5 Make paying your rent or home loan on time a priority.


- 6 Try to pay all your bills on time.



Keystart suggests you seek independent financial advice before you make any decisions about your financial needs.

A good credit rating does not happen overnight – it can take years of commitment and planning. We know this can be hard when you have family to take care of. Tomorrowmoney.co have a helpful article [‘How to honour your boundaries and deal with humbugging’](#).



Sandra's application for a home loan was rejected because her credit score was too low.

Sandra requested a copy of her credit report from Equifax.com.au and could see that missed credit card payments had lowered her credit score.

Sandra worked on paying off her credit cards. Once they were paid off she cancelled all but one of her cards. She also lowered her credit limit on her remaining credit card so she wouldn't spend more than she could afford. She made sure she paid her credit card bill and all other bills on time.



After 12 months Sandra requests a copy of her credit report again, her credit score has improved and she will be in a good position to apply for a home loan again later in the year.

Check the scoreboard.

Your credit score is compiled into reports used by the three main credit reporting bodies in Australia: Equifax Australia, Experian and Illion.

You're entitled to receive your credit report for free, once every three months. After providing adequate proof of identity, one of the credit agencies can usually deliver your credit report within ten days.

If you'd like to check your credit score for free, visit [Equifax](#).

If you think that some information on your credit report is incorrect, it's best to speak directly with the lender or financial institution that provided that specific information.

Remember, the credit agency will know how often you've applied for credit from all types of lenders – including payday lenders. So if you apply for heaps of loans – even if they're knocked back – it can affect your rating.

To learn more about credit scores and reporting you can also [visit the Moneysmart website](#). In strict accordance with the Privacy Act 1988, Keystart provides specific information about individual credit activities to Equifax Australia. [Read more about what we report on.](#)



Next steps.

- Visit keystart.com.au for more information on preparing for a home loan.
- Request a copy of your credit report from Equifax.
- Visit Moneysmart.gov.au for more information on improving your credit score.
- You might find it helpful to contact the Mob Strong Debt Helpline - this is a free legal advice service about money matters for Aboriginal and Torres Strait Islander peoples in Australia.
- When you're ready, get in touch with a member of our Aboriginal Home Ownership team at ahos@keystart.com.au

This document was made in collaboration with Keystart's Aboriginal Home Ownership team, Aboriginal-owned business Norlap Creative and Aboriginal customers.



**Aboriginal Home
Ownership Scheme**

Keystart.