

## Credit Score Misconceptions Revealed

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### The Do's and Don'ts of Building a Strong Credit Score

NEW YORK, Sept. 9, 2015 /PRNewswire/ -- About four in five Americans (77%) fail to realize that accounts with high outstanding balances hurt their credit score even if they pay the bills on time, according to a new Bankrate.com (NYSE: RATE) report.



76% are unaware that closing accounts lowers their credit score. 70% would be surprised to learn that limiting themselves to just one credit account has a negative impact. And more than half of millennials don't know that having a short credit history can potentially delay major life milestones such as buying a home.

Perhaps the most expensive misconception is that consumers must carry a credit card balance in order to improve their credit score. This is not true, but that's news to 55% of Americans. The average credit card interest rate is 15%, so someone who is carrying a balance under the false impression that it will help their credit score could easily be throwing away hundreds or even thousands of dollars per year.

If someone makes a credit card payment more than 30 days late, 37% of U.S. adults were unable to correctly state that it will show up as a negative account on their credit report even if the bill is later paid in full.

"There's a lot of confusion about credit scores," said Jeanine Skowronski, Bankrate.com's credit card analyst. "Three simple rules to follow are: pay your bills on time, keep your balances low and build a diverse portfolio of long-term credit accounts."

At myBankrate.com, consumers can access a free credit report and score each month plus identity theft protection and helpful suggestions for improving their credit.

The survey was conducted by Princeton Survey Research Associates International (PRSAI) and can be seen in its entirety here:

<http://www.bankrate.com/finance/consumer-index/money-pulse-0915.aspx>

*PSRAI obtained telephone interviews with a nationally representative sample of 1,003 adults living in the continental United States. Telephone interviews were conducted by landline (501) and cell phone (502, including 302 without a landline phone) in English and Spanish by Princeton Data Source from August 20-23. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is plus or minus 3.6 percentage points.*

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