What credit score needed for affirm

Photo Courtesy: JGI-Tom Grill/Getty Images In the world of finances, minding your credit score can be tricky. Some seemingly benign actions, such as canceling an old credit card you never use, can actually end up hurting your credit score. Seems counterintuitive, doesn't it? After all, tidying up your finances feels like it should have a positive impact — or, in the very least, be somewhat innocuous. But that's simply not the case. Or, should we say, things aren't that simple. While many folks opt to cut up under-used credit cards or stow them in desk drawers, far from temptation, others just want to cut ties completely. So, are there ways to cancel a credit card without damaging your credit score? Well, with the right preparation, you can cancel a card you no longer use, all while keeping your credit score intact. Canceling any credit card can potentially hurt your credit score, but the most damage is done when you cancel cards with high limits. A person's credit score is determined in many ways. The idea behind a credit score is to figure out how financially "worthy" one might be — a metric banks and other lenders may rely on when qualifying a person for a loan. While it may seem unfair that so much of your financial history (and future) hinges on a credit score, that's the reality of it today. In fact, almost a third of your credit score is determined by the amount of credit you use relative to your limit. This is called credit utilization, and, in the end, it amounts to something rather simple: the less of your available credit you use, the better it is for your overall credit score.For example, many credit experts claim that you use never use more than 30 percent of your available credit if you want to keep a high score. The people with the highest credit scores tend to use less than 10 percent. These percentages, of course, are based on credit limits. Based on those numbers, a person with a credit limit of $15,000 across two cards should always keep their balance no higher than $1,500. Photo Courtesy: Westend61/Getty Images This all relates to why canceling a credit card can negatively impact your credit. Imagine the following scenario:Your overall credit availability is $15,000 divided across two credit cards. One card has a $5,000 limit while the other has a $10,000 limit. Your card with the $10,000 limit has a zero balance and you no longer want or need it, so you decide to cancel it. Meanwhile, your card with the $5,000 limit has a $1,500 balance. Once you cancel your $10,000 card, your credit availability drops to $5,000. With your $1,500 balance, you are now using 30 percent of your credit availability instead of the previous 10 percent. As a result, your credit score can drop.Another factor that plays into your credit score is the age of your credit cards. The longer you've had a card, the better it can be for your credit. The reason for this is that it provides a clearer track record of how you manage your credit. As such, canceling an older card can negatively impact your score more than canceling a newer card. Don't fret just yet — there are ways to minimize or even possibly eliminate harming your credit score when canceling a credit card. Both involve a certain amount of preparation, though. One method? Try increasing the limit on a card you plan on keeping. If you're canceling a card with a $5,000 limit, try increasing your credit limit on another card by the same amount. You can consult with the issuing bank or credit card company to see if you qualify for an increase. Another way to avoid damaging your credit? Open a new credit card. It may sound counterintuitive if you're trying to cut down on cards, but, potentially, there's a better fit out there. Regardless of which new card you open, it should have the same limit — or higher — as the one you plan to cancel. By opening and canceling at the same limit, your credit utilization won't change, thus the cancellation won't harm your credit score if timed correctly. Photo Courtesy: Guido Mieth/Getty Images If the card you want to cancel is old, your credit score will likely go down once you cancel it. Luckily, by maintaining good financial practices with your other credit, it will likely bounce back in a few months. Furthermore, canceling a credit card properly involves several necessary steps. First of all, make sure to pay off the balance on that card before closing it. If you have recurring bill payments connected to that card, change them over to a different card or cancel them. Additionally, make sure you've redeemed all of the rewards you've received through that card. Finally, call the credit card issuer, cancel the card, and cut it up. To double-check that the card has been closed, view your next credit report. Keeping in mind that canceling a credit card almost always has a negative impact on your credit score, so if you can avoid canceling a card that's often better in the long run. If you're only canceling a card because you no longer use it, consider keeping it, putting it in a drawer, and maintaining an intact credit score. Of course, there are other valid reasons for canceling a credit card. If you want to avoid an annual fee, for example, you might want to downgrade the card to one without fees. Contacting the lender to switch to a different card will allow you to keep your payment history while eliminating the fee.Another common reason people cancel credit cards is that it's no longer useful. Perhaps you got the card for its interest-free period and used it to pay off debt. With the debt paid off, you want to eliminate that card and get a more beneficial one with rewards you'll actually use. Check to see if the issuer has another card that fits your needs. Again, instead of canceling, switching to another card offered by the same company can help you maintain your credit score. Photo Courtesy: People Images/Getty Images Finally, many people cancel credit cards because having them is too much of a temptation — and, in the end, they spend money they don't have and accumulate unwieldy amounts of debt. While canceling credit cards may be a good idea in this case, consider lowering your credit limit on the card — or even stashing it away — instead.Credit score aside, sometimes you have no choice but to cancel a card. For instance, if you have a shared account with a partner, a divorce or separation may prompt you to cancel a joint card. Other folks have had bad experiences with particular companies. And, of course, some credit card holders can't help but feel tempted, no matter where they stash their cards. If you're in one of these unavoidable situations — or fear that your spending will lead to crushing debt — then cancelation really might be the best option. Just be sure to do everything you can to mitigate the damage that can be done to your credit score. Flying Colours Ltd/Getty Proving you're worthy of a low loan rate or a new credit card isn't easy in today's lending world. Two years ago, a 620 on the 300-to-850 scale could have snagged a reasonable mortgage rate. Now you need at least 760 to get today's best rate of 5.6 percent or so. You can boost your score without winning the lottery in as little as a month. Here's how. 1. Get your current credit score. Most lenders use the so-called FICO formula, developed by banking consultant Fair Isaac Corporation, because it's considered the most accurate. Head to myfico.com and order a score ($15.95), based on your report from any of the major bureaus — Equifax, Experion, or Trans-Union. You'll get it immediately, online. When you receive the number, you will see personalized advice tailored to your debt history and credit habits. 2. Pay off all you can. Lenders like to see that you're spending within your means, which translates to using less of your credit limit — the lower percentage the better, says Barry Paperno, a credit-scoring expert for Fair Isaac. Gradually paying off $2,250 of a maxed-out $2,500 limit could boost a 670 score to 750. Ask your card issuer for a credit-line increase, too. If you get the increase but don't charge any more, this move will lower the percentage of your credit limit being used. 3. Don't be late. "Make sure your credit card bills are paid on time, even if you can only afford the minimum," says Liz Pulliam Weston, author of Your Credit Score: How to Fix, Improve, and Protect the 3-Digit Number That Shapes Your Financial Future. One skipped payment can knock 100 points off your score. Better still, keep track of your account online, and send in a check before the card's cycle ends. 4. Piggyback on better credit. If your spouse has an account with a good, long history and a high limit, tell him to ask his card issuer to add you as an authorized user. Authorized users don't share liability for the debt, but the positive payment history gets factored into their score, says John Ulzheimer, president of consumer education for credit.com. 5. Curb credit cravings. Applying for a new card can tell financial institutions that you're intending to take on new debt. That can raise your risk as a borrower, says Ethan Ewing, president of bills.com, a money-management Website. There could be a 5- to 10-point credit-score drop soon after you get a card, so consider waiting a few months before applying for a mortgage or car loan. 6. Remove errors. Up to 80 percent of reports have at least one error, according to bankrate.com. You can get a free report annually from all three credit bureaus. Pull one from a different bureau every four months at annualcreditreport.com to regularly comb for mistakes. If you find any, send bureaus correct information. 7. Don't go "cash only." It takes good borrowing behavior to reduce the impact of bad things like maxing out on one card. If you hit your limit, your score could drop 30 points in one month, but if you get your balance below 10 percent of the limit on that card you can restore your score. This content is created and maintained by a third party, and imported onto this page to help users provide their email addresses. You may be able to find more information about this and similar content at piano.io Where Did "Score" As 20 Come From? The first use of the word "score" to refer to 20 items goes back to around 1100. "Score" was a term for counting herds of sheep or cattle. Shepherds or cattle hands would count 20 of the livestock and make a mark on a stick to indicate that they had counted 20 sheep or cows. Counting by scores allowed the livestock hands to keep up with large quantities of cattle or sheep without losing count. The Origin of the Word "Score" The word "score" comes from the Old Norse word "skor," which meant to put a notch on something. The people who took care of livestock actually made notches on a stick to help them remember how many cows they had counted. That's why the word "score" came to represent the number 20. Ancient Counting Systems From the ancient world to the Middle Ages, people used different counting systems, much like we use twos, fives and tens to count today. For example, counting by dozens is a throwback to older counting systems. Other ancient counting systems include Roman numerals, which you'll often encounter when you watch old movies. For example, a movie made in 1938 may show the year as MCMXXXVIII, with each letter of the Roman number representing a different value. Uses of Scores in Old Texts We can find counting by scores in the Bible, as well as in other texts. In the Bible, you can encounter counts of scores in older translations like the King James Version. One example of counting by scores in the Bible includes Exodus 15:27. Here the Israelites encountered 70 palm trees, or "threescore and ten palm trees." You can also come across the word "score" to refer to 20 of something in famous literature like the plays of Shakespeare. In Macbeth, an old man says, "Threescore and ten I can remember well." What he means is that he can remember the last 70 years of his life. Scores in Famous Speeches You can find examples of American speakers using the word "score" to represent 20 of something. Using that method of counting allows the speaker to make a point that sounds like something out of the Bible or literature. For example, in Martin Luther King's "I Have a Dream" speech, he referenced the Emancipation Proclamation, which went into effect 100 years earlier, by saying "five score years ago." "Four Score and Seven Years Ago" Of course, the most memorable use of "score" is Abraham Lincoln's Gettysburg Address. Lincoln began that famous speech with a reference to "four score and seven years ago." That number of years (87) refers to 1776, when the Founding Fathers signed the Declaration of Independence. Stephanie Shalit, 50, Chicago After maxing out several credit cards in her 20s, Stephanie Shalit spent the next decade wiping out her debt and swearing off plastic. "I was single into my late 30s, making $125 per hour as a yoga teacher and just paying for everything in cash," she says. In general, negative information—like high debt, late payments, foreclosures, and collections—stays on your credit report only for seven years, so those early mistakes have long since been wiped off Stephanie's record. But avoiding credit altogether hadn't cleaned up her credit score. In fact, it wasn't until she met her future husband that Stephanie realized her cash-only lifestyle carried consequences. "We went to open a joint account, and my husband learned I had no credit score," she says.The Problem: Without a credit history, Stephanie could have been financially vulnerable if something happened to her husband (they have since worked out payment settlements with the companies that eliminated those risks). "Plus, even if you don't want to borrow money, a nonexistent or low credit score can affect the price of mobile phone plans, car insurance premiums, and more," says Weston.The Fix: One in 10 Americans is "credit invisible," meaning they don't have enough credit history to generate a score with each of the three main credit-tracking bureaus, according to the Consumer Financial Protection Bureau.Stephanie may be able to improve her credit score by having her husband add her as an authorized user to some of his credit cards, says Weston. Most card issuers will then export the spouse's good history with those cards into your credit files. "That can solve the issue almost overnight if the other person's credit history is imported into your credit report," she says. If you'd rather not go the authorized user route, consider a secured credit card. These require a cash security deposit (which typically starts at $200 or $300), so they're less risky for the issuer and easier to have approved.To keep the card active without being tempted to charge more than you can afford, designate that card for a recurring monthly bill, like cable or Internet. Then head to the credit card website to set up automatic payments so the balance is paid in full each month. "Just having a credit card won't put you in debt," says credit expert Ulzheimer. "It's all about how you use it.