

Name _____

Cracking the Credit Score Code: Why It Matters

Short Answer Key

1. A credit score is a number that reflects your creditworthiness, showing how reliable you are with borrowing and repaying money. It's important because it affects your ability to get loans, rent homes, and even find certain jobs.
2. Three benefits include: 1) Qualifying for lower interest rates. 2) Access to larger loan amounts. 3) Easier loan approvals.
3. Two ways to improve your credit score are: 1) Paying bills on time. 2) Reducing credit card debt.
4. It's essential to check your credit report regularly to catch and correct errors, detect fraudulent activity, and monitor your financial health.
5. A high credit card balance can lower your credit score. To mitigate this impact, you should aim to keep your credit card balances low compared to your credit limit, which shows responsible credit use.

