

## **Refused credit card? Take these steps to fix the problem**

Having your credit card application rejected is unpleasant and can even hurt your credit score, but it isn't the end of the world. If you take the following steps you can fix up your credit and get the plastic you want, potentially within a few short months:

### **1. Find out why your application was rejected**

You're never going to be able to fix the problem if you don't know what it is. Often the company will be willing to tell you why your application was rejected. You may also be able to figure it out by looking at your credit report. Common reasons for rejection include having high balances on your existing credit cards or other large amount of debt, having a shaky work history or low income, and having missed too many payments.

### **2. Start working on your credit**

There are several things you can do to start improving your credit right away:

- **Inspect your credit report** – Errors do happen and an error on your credit report might be dragging your score down. You can get a free copy of your credit report once a year from all three of the major credit reporting bureaus. Make sure you read through it carefully.
- **Challenge any mistakes** – Unfortunately this is often the longest part of the process and will require a lawyer, but it's well worth it.
- **Pay down balances on existing credit cards and loans** – The lower your balances get and the more active you are about paying things off, the more attractive you become to credit card companies.
- **Pay all your bills on time(or early)** – All of your bill payments have an impact on your credit score. Make sure you are always paying everything on time.
- **Consider a secured credit card** – If you have really bad credit a secured credit card allows you to start rebuilding it. You pay a deposit(usually \$300-500) and then are allowed to use the card to

take out that much in credit. You can pay it like a regular credit card each month and your deposit won't be touched unless you default.

- **Be careful about closing cards** – Closing cards with companies you have a long relationship with can actually damage your credit. The cards worth closing are retailer cards which often come with intensely high interest rates and poor rewards programs.

### **3. Wait a little while**

You want to wait at least three months after having a credit card application rejected before you apply for another one. This is because having too many inquiries into your credit within a short amount of time can actually damage your credit score.

### **4. Try to increase your income**

This one isn't the easiest and there's a good chance it isn't really essential, but if you can find a way to give your income even a small boost you will become more appealing to credit card companies. After all, the more money you make, the more you have to spend.

### **5. Research the right card for you**

Since you have to wait a while anyway, take the time to thoroughly research all of your options. There are dozens of credit cards available with a huge variety of rewards programs and other benefits, and each card has its own specific application restrictions. Read through their guidelines really thoroughly and find out exactly what you need to get in and what you will get from the card.

When you have found the right card, only apply for one credit card at a time so you don't have too many inquiries into your credit card.

**No matter** how bad the situation seems, you can rebuild your credit if you're willing to work through all of these steps.