REPRINT of Article with some edits
originally publication:

https://www.cnbc.com/2023/08/14/money-expert-theres-no-benefit-to-scoring-above-this-credit-score.html


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Once you hit this credit score, 'there's no benefit to scoring higher,' says expert: 'It's just bragging rights'

While having a perfect 850 credit score is impressive, you don't necessarily need it to unlock the best benefits.

"Typically, once you hit the mid-700s, you're considered to have excellent credit, and there's no practical benefit to scoring any higher," says Ted Rossman, Bankrate's senior industry analyst. "It's just bragging rights above that threshold."

The exact number within that mid-700 range varies by lender, but a credit score between 740 and 750 will usually qualify you for the best terms with credit cards and auto loans, Rossman tells CNBC Make It. A 760 will typically get you the best rates on mortgages.

Your FICO score, which most potential lenders use to assess your ability to manage credit, can range from 300 to 850. Here are the ranges that generally qualify as poor, fair, good, very good, and exceptional, according to Experian.

- **Poor**: 300 — 579
- **Fair**: 580 — 669
- **Good**: 670 — 739
- **Very good**: 740 — 799
- **Exceptional**: 800 — 850

If your credit score is between 740 and 760, Rossman says you're probably already getting the most favorable terms when opening a new credit card or getting a mortgage. But if it's below that threshold, every point counts.

"Every 20 points or so can make a big difference in the battleground between fair, good, and excellent credit," he says.

Say you have a 675 credit score and qualify for a $300,000 mortgage with an interest rate of 7.5%. Rossman says that over 30 years, you'll pay around $36,000 more in total interest expenses than if you'd had a 700 credit score and received a 7% interest rate.

"This is a great illustration of why your credit score matters," he says. "A half a point doesn't sound like a lot, but it certainly can be."

1 How to improve your credit score

Some people may think carrying a balance from month to month on your credit card can help raise your credit score, but that's not true. It will only cost you more money in interest charges, says Rossman.

Instead, try lowering your credit utilization rate, representing how much of your available credit you use at a given time. You can calculate it by dividing your credit card balances by your total credit limit.

Say you have two credit cards with $6,000 limits; your total available credit would be $12,000. If you carry a balance of $3,600 between the two cards, your credit utilization rate is 30%.

Financial experts typically recommend keeping your credit utilization below 30% because it shows lenders that you're generally good at managing debt.

If your utilization rate is above 30%, paying down your outstanding debt is one way to lower it. Using the example above, if you brought your credit card balance down to $3,000, your credit utilization rate would fall to 25%.

Another method to try is asking your lender to increase your line of credit, Rossman says. You can do this within your banking app or by calling your issuer.

Say your credit card balance is still $3,600, but you can increase your available credit from $12,000 to $18,000. By doing that, your credit utilization ratio would drop to 20% despite having the same balance.

But if you're going this route, be careful. Asking for a credit limit increase may cause your lender to request a hard inquiry of your credit reports, which can cause your credit score to decrease temporarily, according to Equifax.

Remember that raising your credit score is more of a marathon than a sprint, says Rossman. He says you may not see immediate improvements, but sticking to a consistent strategy, paying your bills on time, and keeping your debts low can help you eventually reach your goal credit score.