

Asking to Raise Credit Limits Can Lower Credit Scores

One of the quickest methods to raise your credit scores is to just increase the credit limits on your credit cards. As long as you avoid temptation, and don't max out your new limits!

What is the best way to request a higher credit limit? There's a smart way to do it and a not-so-smart way.

Asking for the Credit Limit Increase

Were you aware that when we ask for a higher credit limit, our credit score rating can actually go decrease?

The kind of credit inquiry the credit card company makes when you ask them to raise your credit limit is the type that can also decrease your credit scores.

Is it possible to know if a particular inquiry decreases your scores? Easy—pull your FICO credit scores before you request the higher limit. Then, pull your credit scores after. If the scores decreased, the credit inquiry is the reason.

Even better, just subscribe to a good credit report monitoring service and you'll find out the minute something changes on all three of your credit reports.

3 Ways to Prevent the Penalty

It's a sad fact of life, but the number of credit inquiries that you initiate is a gauge of how risky you are to a lender.

Can we beat them at their own game? How can you shop for credit without being penalized? Here are some options...

1. Never ask them to raise your credit limit. Be content with the regularly occurring credit limit increases that your credit card companies offer. This is the least loved method. It's not proactive enough. When it comes to increasing your bad credit scores, you don't want to be passive. Furthermore, some of them will never raise your limits unless you request it.
2. Request the increases and take the hit from the credit inquiries. This is better than option 1, however we can do even more.
3. Minimize the effects of the credit inquiries by applying for credit limit increases only on credit card accounts where you have the best chance to significantly impact your FICO scores.

Account Review Credit Inquiries Won't Affect Scores

Credit card companies periodically read and evaluate your credit report to decide if they should:

- A. Renew your accounts
- B. Close your accounts
- C. Increase (or decrease) your credit limits
- D. Increase (or decrease) your interest rates

This is a standard procedure in managing your accounts. The larger credit card companies will do this either monthly or quarterly. It's referred to as an account review.

The cool thing is that an account review inquiry will not affect your credit scores.

The reason is that you didn't apply for the credit limit increase. Since you didn't initiate the inquiry, your credit scores won't decrease.

Do Idle Credit Limits Decrease FICO Scores?

They do not.

Many times, people advise that you should use charge up your credit card as high as possible. That's not a good strategy.

The honest answer actually that the higher your credit limits and the lower your balances are, the higher your FICO scores will be. Your plan should be to have the highest limit and the smallest balance you can.

About the Author

[Stephen Snyder](#) is the founder of the After Bankruptcy Foundation a non-profit organization that helps people recover after [bankruptcy](#). He has helped thousands of people obtain a [credit card after bankruptcy](#) with a fair interest rate.

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