

TO DO LIST STEP 7

Apply For Credit Limit Increases

How Credit Limit Increases Work

When a lender reviews your account and decides you can responsibly handle more credit, they increase your limit.

Two Types of Credit Limit Increases

Automatic Credit Limit Increase

The bank increases your limit **without you asking**.

They usually look at:

- Payment history
- Credit utilization
- Income changes
- Account age
- Overall credit profile

Typical timeframe:

- **3–6 months of on-time payments (you can call customer service to find out exactly when you will qualify for your next Credit Limit Increase)**

Requested Credit Limit Increase

You **log into your account or call the bank** and ask for a higher limit.

The lender may:

Soft Pull (no score impact)

- Common with many cards today

Hard Pull (temporary score drop)

- Some lenders still do this navy federal is one of them.

Factors Lenders Look At

When deciding whether to increase your limit, lenders review:

1. Payment History

- Consistent on-time payments

2. Utilization

- Ideally below 30%
- Best under 10%

3. Income

- Higher income = higher limits

4. Account Age

- Older accounts are more trusted

5. Spending Patterns

- If you actually **use the card**


Example:

If someone has a \$500 limit but only spends \$20 a month, the bank may **not increase it** because the limit isn't being utilized.

What To Do?

There are two ways you can trigger the bank for a credit limit increase. (there is not right or wrong answer)

Option A:

Make A large purchase for example an Expensive Louis Vuitton Bag  wait until the payment post and then return the bag.

Option B:

Make large payments for the next 3-6 months & pay the balances back down before the statement date.

Remember not to spend What You Don't ALREADY HAVE. Take Christmas or Birthday shopping as an example. If you were already planning to spend a lot of money due to Christmas. This would be the perfect time to max out your credit cards and **pay them back off.** But don't just go spending unnecessary money just to get a credit limit increase it's not that serious.

The Point Is To Get The **HIGH CREDIT** Section On Your Credit Report To Reflect As If You're Actually Spending Up Most Of Your Limit. As Long As This Is Paid Down 3 Days Before The Statement Date It Will Not Affect Your Credit Score.



DID YOU KNOW?



#WealthyIntention

HIGH CREDIT vs CREDIT LIMIT

CAPITAL ONE	TransUnion	Experian	Equifax
Account #:	51780582****	51780582****	51780582****
Account Type:	Revolving	Revolving	Revolving
Bureau Code:	Individual	Individual	Individual
No. of Months: (terms):	0 \$ 0	0 \$ 0	0 \$ 0
High Credit:	\$4,300.00	\$4,300.00	\$5,300.00
Credit Limit:	\$5,300.00	\$5,300.00	\$5,300.00
Monthly Payment:	08/05/2020	08/01/2020	08/01/2020

HIGH CREDIT	
Balance:	\$737.00
High Credit:	\$4,300.00

CREDIT LIMIT	
\$657.00	\$5,300.00
\$5,300.00	\$5,300.00

- 🔍 HIGH CREDIT**
- The highest balance ever reported on the card
 - The most you've ever owed on this card

- 💰 CREDIT LIMIT**
- The maximum credit line available on the card
 - The total amount you can borrow on this card

