

## Good Credit Score Shopping for a Loan

There is a common myth about having a good credit score is that you are not allowed to shop around when applying for credit. This is true for certain types of credit and false for other types. To maintain a good credit score you need to know the difference. 10% of your credit score is what is known as inquiries. These are measured by how many times your credit report has been reviewed. There are two different types of inquiries and only one counts. Applications for new credit are known as hard inquiries. These are measured by the number of times a creditor has accessed your credit report in the effort to grant you credit. This is only by your request. The preapproved offers you get in the mail are called soft inquiries and don't count as a hard inquiry. Other types of soft inquiries are when you, an employer, or insurance company reviews your credit report. The types of credit that you are not allowed to shop around for is credit cards. Every time you apply for a new credit card, it will count as a hard inquiry. So that makes there no such thing as shopping around for a credit card. You have to pick one and apply for only one. The types of credit you are allowed to shop around for are auto loans and home mortgages. There is a shopping period because these are some of the largest purchases anyone will make in their lifetime. Also, shopping around for these types of credit is sign of a frugal and responsible consumer. The time you are allowed to shop is 30 days. In this period of time you can apply to as many lenders as necessary to find one that you want to use. This will only be counted as a single hard inquiry. If the shopping is not done in the 30 day time period it will count as another hard inquiry. Inquiries are a smaller part of your credit score, but will be on your report for two years. So pick one credit card if you need a new one and shop if you are looking for a home loan.

## About the Author

To read more about [what is a good credit score](#), visit Elliot's website credit score insight. There you will find more in-depth practices to get an [excellent credit score](#) [Credit applications- good credit score](#)

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