



How Does Secured Loan Affect Credit Score

Credit score is fluid in nature and is affected by any change in your credit report. Thus, a secured loan can affect your credit score in many ways.

A secured loan is reflected on your credit report. The credit report mentions the loan amount, payment history and balances on the account.

Making timely payments towards a secured loan helps to build credit score and improve credit history.



Late payments towards a secured loan can drop your credit score. The more you delay the payment, higher is the damage caused by it.

Defaulting on a secured loan leads to repossession or foreclosure. This can damage your credit score and the affect lasts for a long time.

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