

IMPROVING YOUR FICO® SCORE

WHAT AFFECTS YOUR FICO® SCORE:

PAYMENT HISTORY

- Payment information on specific types of accounts (credit cards, retail accounts, loans, finance company accounts, mortgage, etc.)
- Presence and recency of adverse public records (bankruptcy, judgements, suits, liens, wage attachments, etc.) collection items, and past due bills
- Severity (how long past due) and amount of past due bill or collection item

AMOUNTS OWED

- Amount owing and number of accounts with balances
- Proportion of credit lines used (proportion of balances to total credit limits on certain types of revolving accounts)
- Proportion of installment loan amounts still owing (proportion of balance to original loan amount on certain types of installment loans)

LENGTH OF CREDIT HISTORY

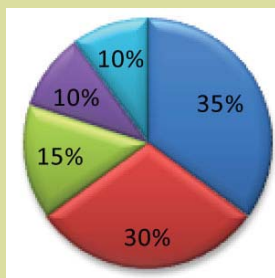
- How long the account has been opened
- How long since there has been account activity

NEW CREDIT

- Number of recently opened accounts, and proportion of accounts that are recently opened, by type of account
- Number of recent credit inquiries and time since credit inquiries

TYPES OF CREDIT USED

- Number of (presence, prevalence, and recent information on) various types of accounts (credit cards, retail accounts, installment loans, mortgage, consumer finance accounts, etc)



HOW IS MY SCORE CALCULATED?

- Payment History
- Amounts Owed
- Length of Credit History
- New Credit
- Types of Credit Used

HOW TO IMPROVE IT:

PAYMENT HISTORY TIPS



- Pay your bills on time
- If you have missed payments, get current and stay current
- Be aware that paying off a collection account will not remove it from your credit report
- If you are having trouble making ends meet, contact your creditors or see a legitimate credit counselor

AMOUNTS OWED TIPS



- Keep balances low on credit cards and other “revolving credit”
- Pay off debt rather than moving it
- Don’t close unused credit cards to raise your score
- Don’t open new credit cards that you don’t need, just to increase your available credit

LENGTH OF HISTORY TIPS



- If you have been managing credit for a short time, don’t open a lot of new accounts too rapidly

NEW CREDIT TIPS



- Rate shop for a given loan within a focused period of time
- Re-establish your credit history
- It’s ok to check your own credit report

TYPES OF CREDIT USE TIPS



- Open new credit only as needed
- Have credit cards, but manage them responsibly
- Note that a closed account doesn’t make it go away

WHAT’S NOT IN YOUR FICO® SCORE?

- Race, color, religion, national origin, sex, marital status, age, where you live, your salary, occupation, title, employer, date employed or employment history
- Interest rate being charged on credit card or other account
- Certain types of inquiries (requests for your credit report)