

Royal Throne



Credit Score?

FICO Score?

Improve Credit Score?

What is a Credit Score?

Credit scores influence the credit that's available and the terms (interest rate, etc.) that lenders may offer. It's a vital part of credit health. When a consumer applies for credit—whether for a credit card, an auto loan, or a mortgage—lenders want to know what risk they'd take by loaning money. When lenders order a credit report, they can also buy a credit score that's based on the information in the report. A credit score helps lenders evaluate a credit report because it is a number that summarizes credit risk, based on a snapshot of a credit report at a particular point in time. - www.myfico.com

FICO Score

The most widely used credit scores are FICO Scores, the credit scores created by Fair Isaac Corporation.

90% of top lenders use FICO Scores to help them make billions of credit-related decisions every year. FICO Scores are calculated based solely on information in consumer credit reports maintained at the credit reporting agencies. By comparing this information to the patterns in hundreds of thousands of past credit reports, FICO Scores estimate your level of future credit risk.

- www.myfico.com/credit-education/credit-scores/



Amounts Owed (30%) Having credit accounts and owing money on them does not necessarily mean you are a high-risk borrower with a low Credit Score. However, when a high percentage of a person's available credit has been used, this can indicate that a person is overextended, and is more likely to make late or missed payments.

New Credit (10%) Research shows that opening several credit accounts in a short period of time represents a greater risk—especially for people who don't have a long credit history.

Payment History (35%) The first thing any lender wants to know is something about your credit history. Namely, whether your credit payments (to credit cards, retail accounts, installment loans, finance company accounts, mortgage loans) have been made on time. This is one of the most important factors in a Credit Score.

Credit Mix (10%) FICO Scores will consider your mix of credit cards, retail accounts, installment loans, finance company accounts and mortgage loans. You do not have to have one of each as it is not a good idea to open credit account you don't intend to use. Overall manage the credit accounts you have responsibly.

Length of credit history (15%) In general, a long credit history will increase your FICO Scores. However, even people who haven't been using credit long may have high FICO Scores, depending on how the rest of the credit report looks.

Improve Credit Score?

Credit Scores can range from 300 to 850. The higher the score, the better the credit rating. Generally, any score above 700 indicates a good credit, and below 650 is a problem. *Remember, you can work to improve your score, no matter where it is right now!*

Things You Can Do to Build Good Credit to Boost Your Score: \$. Pay your bills consistently and on time \$. Check your credit report and write the bureaus to remove any errors \$. Pay down your debt load by paying more than minimums and not maxing out limit \$. Avoid lots of inquiries.



Did you know you can get a free credit report once a year? AnnualCreditReport.com is the official site to help consumers obtain their free credit report.

Questions about Financial Literacy?

Contact:

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