

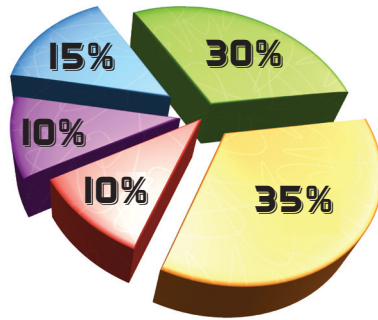
FICO SCORES

Understanding What Makes Up Your Score



WHAT MAKES UP YOUR SCORE?

- » **35%** Payment History (i.e. On-time payments or delinquencies)
- » **30%** Capacity on Revolving Credit
- » **15%** Length of Credit History
- » **10%** New Credit in the Last 12-18 Months
 - # of inquiries
 - Opening dates
- » **10%** Types of Credit Used
 - Installment (raises) vs. Revolving (lowers)
 - # Of finance company loans...the more you have, the lower the score



WHAT ACTIONS WILL HURT YOUR SCORE?

- » Missing payments (regardless of the \$ amounts)
It will take 24 mo. to restore credit with one late payment!
- » Credit cards at capacity (i.e. Maxing out credit cards)
- » Closing credit cards out (This lowers available capacity)
- » Shopping for credit excessively
- » Opening up numerous trades in a short time period
- » Having more revolving loans in relation to installment loans
- » Borrowing from finance companies

WHAT DOESN'T AFFECT YOUR SCORE?

- » Debt Ratio
- » Income
- » Length of Residence
- » Length of Employment

APPROXIMATE CREDIT WEIGHT FOR EACH YEAR

- » 40% Current to 12 Months
- » 30% 13-24 Months
- » 20% 25-36 Months
- » 10% 37+ Months

HOW TO IMPROVE YOUR SCORE

- » Pay down on credit cards
- » Continue to make payments on time (Older late pays will become less significant with time)
- » Slow down on opening new accounts
- » Acquire a solid credit history with years of experience
- » Moving revolving debt to installment debt

