

Interpret Your Credit Score

A credit score is a number based on your credit report that helps a lender determine your ability to pay back debt – meaning your score represents your credit risk.

The FICO® score is the most widely used score today. By understanding how this score is determined and what your score means, you can make decisions that will help your credit work for you and not against you.

Credit Score Breakdown

Your FICO® score is an assessment of five general factors – some more important than others. The chart below displays how each factor contributes to your score, and how your actions can affect your score.

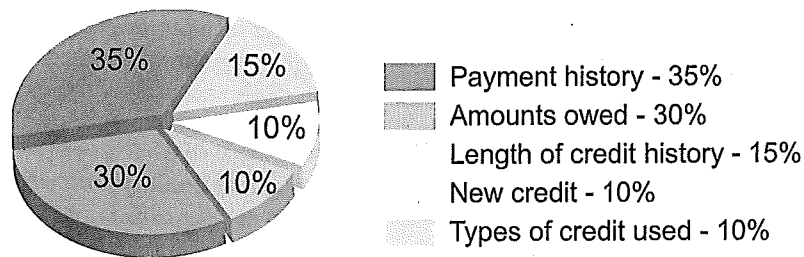


Chart obtained from www.myFICO.com

Factor	How to Take Action
Payment history Weight: 35% of score	Making on-time payments is the most important thing you can do to build sound credit. If you miss a payment or are even just late on one, your score will go down. Collection activity from continuously missed payments will severely hurt your score.
Amounts owed Weight: 30% of score	Think about your credit card balance. If your balance is a low percentage of your overall credit limit, this can help your score. Keep an eye on how much you have borrowed in total, as a high balance can hurt your score.
Length of credit history Weight: 15% of score	Keeping credit accounts open and in good standing has a positive effect on your credit score. As time goes by those accounts can improve your score. However, any time you open a new account your average length of credit history shortens, hurting your credit.
New credit Weight: 10% of score	Be cautious about how often you open a new credit account. Every time you fill out a credit card application, it will lower your score. If you open credit cards to get a store discount or transfer your balances, your credit score will be negatively affected.
Types of credit used Weight: 10% of score	Credit card accounts are a different type of credit than mortgages and car loans. One has a balance and monthly payment that changes frequently; the other has a set payment and time frame to pay it off. Showing that you can successfully have both will improve your score.

Credit Score Range

FICO® scores range from 300 to 850. The higher your score, the more likely you are to qualify for a loan or get a premium interest rate. Use the chart below to see where your score fits.

300-500	500-579	580-619	620-699	700-799	800-850
Very Bad	Poor	Low	Fair	Very Good	Excellent