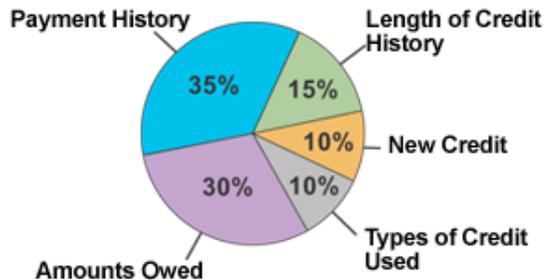


Credit Score Tips



The 5 Main Score Factors

“When it comes to mortgages, auto lending and credit cards, the higher your score, the lower the interest rate you’re going to pay,” says Barry Paperno, manager of customer service for credit-scoring company Fair Isaac (FICO). Your credit score can also affect your car and home insurance rates, utility deposits and down payment amounts.

- FICO is the most popular credit scoring model. It is designed to be a risk predictor for potential default.
- You actually have three FICO scores – one from each of the three main credit bureaus (Experian, Equifax and TransUnion). Your scores range from 300-850.
- Just one late payment might lower your score by 100 points. However, FICO weighs recent problems more heavily than mistakes made several years ago.
- The lower your credit card balances, the higher your FICO score will be. Using half or more of your available credit line is a big score killer!
- FICO scoring is all about how you use credit. Having savings, investment & retirement accounts and making a big salary are good things, but they don’t improve your score (but it will impress a loan officer).
- FICO says closing a credit card account will *never* help your score and will generally hurt it – especially if you close a card account you’ve had for years.
- You *don’t* lose points off of your score for obtaining a copy of your credit report from the credit bureaus.

Federal law allows you to obtain a copy of your credit report for free at www.AnnualCreditReport.com or call 1-877-322-8228. Your credit report – not credit *score* – is free. You have the option to buy your score for a small fee.

CCOA has a Credit Report Review service. You can have your credit report and score printed and explained to you by a credit professional. Call to make a Credit Report Review appointment.

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