FICO SCORES
Understanding the crossroads that lead to explaining the score.

What makes up the score?
35% based on payment history
   1) i.e. on time pays or delinquencies
   2) More weight on current payment history
30% Capacity…it is the king
15% Length of credit
10% Accumulation of debt within the last 12-18 months
   1) Number of inquiries
   2) Opening dates
10% mix of types of credit
   1) Installment (raises score) vs Revolving (lowers score)
   2) number of finance Co. loans, the more the lower the score

What actions will hurt the score?
A) Missing payments...It will take 24 months to restore credit with one late payment
B) Credit cards at capacity...at their limits
C) Closing out credit cards....It lowers available capacity
D) Shopping for credit excessively
E) Opening up numerous trades in a short period
F) Having more revolving loans in relation to installment loans
G) Borrowing from Finance Companies

What doesn’t affect your score
A) Debt ratio
B) Income
C) Length of residence
D) Length of employment

Approximate credit weight for each year
A) 40%—current – 12 months
B) 30%—13-24 months
C) 20%—25-36 months
D) 10%—37+ months

How to improve your score
A) Pay down on credit card balances
B) Do not close credit cards because capacity will decrease
C) Continue to make payments on time, older payments will become less significant with time
D) Slow down on opening new accounts
E) Acquire a solid credit history with years of experience
F) Move revolving debt to installment debt

Information Provided By Lending Solutions Consulting, Inc.