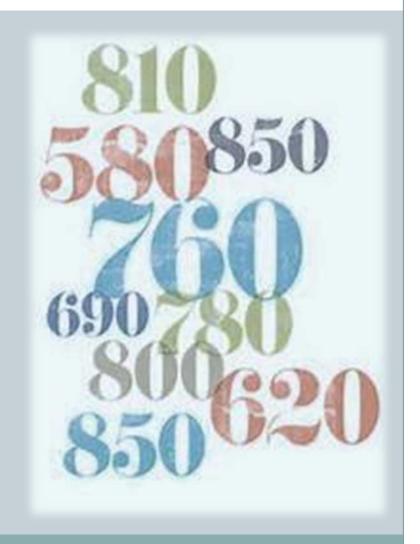
### Credit Score



WHAT YOU NEED TO KNOW!

### So, What is a Credit Score?

- It's a measurement of credit worthiness
- It's based on Information on your credit report



### So, What is a Credit Score?

- A CREDIT REPORT tracks your credit activity
- Many creditors look at the score & not the report



### Credit Bureaus

Equifax



Experian



Transunion



### FICO SCORE

Runs 300-850

Each has its own score

Creditors can pull one or all three reports

### FICO Score



### FICO Score

Payment History 35%

- On-time payments help, late payments hurt
- Accounts in collections hurt significantly

Amount Owed 30% Hurts to have balance close to credit limit

### FICO Score

Length of Credit Histroy15% Longer history improves credit score

New Credit 10%

- Number of new accounts
- Inquiries

Types of credit used 10%

A variety of credit is good

#### What Does Not Affect Your Credit Score

- oDebt Ratio
- olncome
- oLength of Residence
- oLength of Employment

### The High cost of a low credit score



#### **Declined loans**

More difficult to get approved for a loan

#### High interest rates

The lower your score the higher the interest

# Large down payment

 Creditors may ask for a higher down payment or collateral

## It can ADD up!

Amount Borrowed for a vacation	5,000 balance	5,000 balance	5,000 balance
Interest Rate	10.9%	9.9%	18.9%
Monthly Payment	\$100.00	\$150.00	\$100.00
How long to pay off? How much will interest be?	68months \$1718.30	40 months \$881.53	100 months \$4986.56

### Improve your FICO score

# Always pay on time

Pay down existing debt

# Diversify your credit

 Review your credit report for errors

### Improve your FICO Score

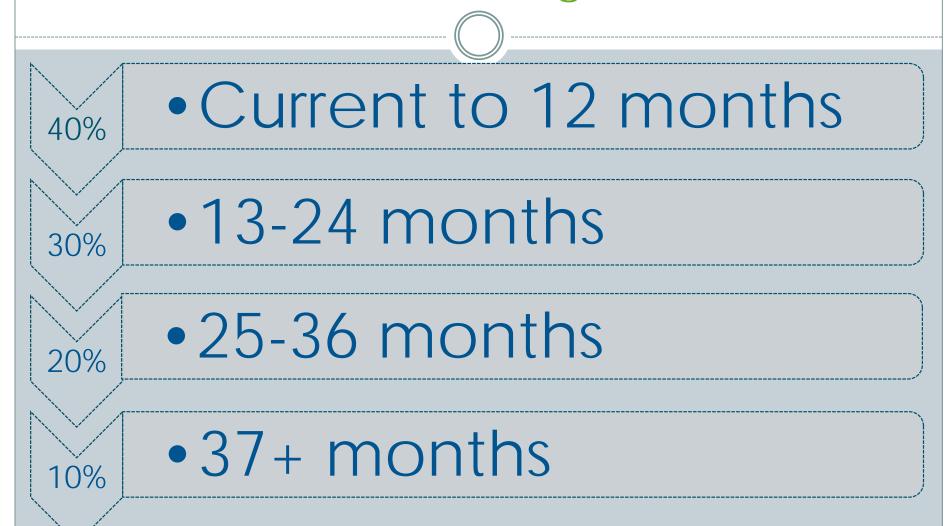
### Keep your oldest accounts

Limit balance transfers

# Avoid excess credit card applications

Be patient

### Credit Weight



### How to get Started

- Ways to establish or re-establish credit
- So, If you've never had credit or you've had credit troubles in the past...
  - o Start with requesting a small amount
  - o Share secured loan
  - o Keep your balance low
  - O ALWAYS PAY ON TIME!

### There is always a way OUT!

- Don't be discouraged
- Come up with a plan and stick to it!
- Your credit score CAN increase in time