

Be Credit Smart

What you need to know about your credit score
(a.k.a. FICO score).



Terminology:

Credit Score: A three-digit number calculated by the information included on a credit report.

Trade Line: Listed on a credit report as a record of activity for loans, debts, or lines of credit.

Installment Loan: A loan with regularly scheduled payments and a final payoff date. (ex. car loan)

Revolving Line: A credit line available to draw funds from, pay down and use again. (ex: credit cards, lines of credit, home equity line of credit)

Credit Inquiry: This happens any time a loan application is completed or a credit report is pulled.

What's on a credit report?

- Name, address, DOB, employment, SS#
- Any type of loan, along with real estate, credit cards, and lines of credit
- Collections/public records (bankruptcy)
- Credit inquiries in the past 2 years (source, type and date of inquiry)

What makes up a credit score?

The information formulated to make up a score is weighted with more emphasis on certain areas.

35% Payment History: Includes on-time and late payments, with more weight placed on recent payment history. (2 years)

30% Amount Owed: Balances in relation to original loan amounts and credit line limits. (how much open credit is available and how much is still owed)

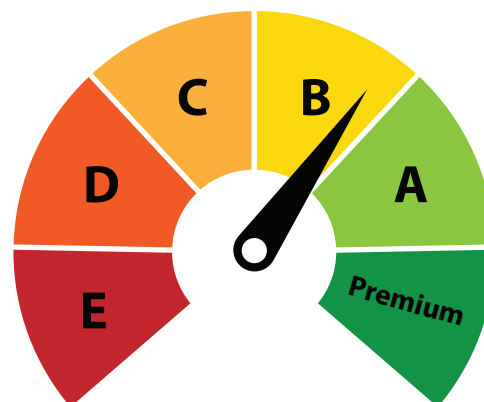
15% Length of Credit History: Average length of credit on all trade lines.

10% Mix of Credit: Types of trade lines. (real estate, installment, and revolving)

10% New Credit: Accumulation of new debts and inquiries.

FICO Scores range from 300 – 850. Every score fits into a credit tier with 'Premium' being excellent credit and 'E' being credit with opportunity to improve. Once you know what goes into calculating your score, you can always work to improve it if needed. It is not a set number. If your financial habits change, your score will too.

	Credit Tier	Range of Credit Scores
●	Premium	740 and Above
●	A	680 – 739
●	B	640 - 679
●	C	600 - 639
●	D	550 - 599
●	E	549 and Below
	No Score	0, 9001, 9002, 9003



Actions that hurt your score:

- Missed or late payments
- Credit cards at or near capacity
- Excessively applying for loans, credit cards, or lines of credit (inquiries)
- Opening numerous trade lines in a short time frame
- Lacking a healthy mix of trade lines (real estate, installment, and revolving)
- Open collections or charged off trade lines

Ways to boost your score:

- Making consistent on-time payments
- Paying down revolving lines
- Refinancing revolving debt into installment debt
- Slowing down on taking out loans
- Paying off collections and charged off trade lines

More Buying Power

Credit Score	Loan Amount	Rate	Term	Loan Interest	Monthly Payment
"P" 740 and Above	\$23,663	2.09%	72	\$1,536.48	\$350.00
"A" 680 - 739	\$23,490	2.34%	72	\$1,709.90	\$350.00
"B" 640 - 679	\$22,807	3.34%	72	\$2,392.44	\$350.00
"C" 600 - 639	\$20,335	7.34%	72	\$4,864.73	\$350.00
"D" 550 - 599	\$18,223	11.34%	72	\$6,976.82	\$350.00
"E" 549 and Below	\$16,411	15.34%	72	\$8,788.27	\$350.00
"N" 0, 9001, 9002, 9003	\$20,335	7.34%	72	\$4,864.73	\$350.00

Lower Loan Payments

Credit Score	Loan Amount	Rate	Term	Loan Interest	Monthly Payment
"P" 740 and Above	\$30,000	2.09%	72	\$1,947.84	\$443.73
"A" 680 - 739	\$30,000	2.34%	72	\$2,183.75	\$447.00
"B" 640 - 679	\$30,000	3.34%	72	\$3,146.84	\$460.38
"C" 600 - 639	\$30,000	7.34%	72	\$7,176.70	\$516.35
"D" 550 - 599	\$30,000	11.34%	72	\$11,485.67	\$576.19
"E" 549 and Below	\$30,000	15.34%	72	\$16,064.65	\$639.79
"N" 0, 9001, 9002, 9003	\$30,000	7.34%	72	\$7,176.70	\$516.35

Sample rate charts for a general idea of overall savings

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