

Your Credit and What it Means to You!

1. To obtain a free credit report log-on to www.annualcreditreport.com. This will enable you to get a report from any of the three major credit bureaus 1 time a year.
2. You will have to pay extra if you want your score with it!
3. Credit Scoring is made up of these factors,
 - A. 35% is Payment History
 - B. 30% is Capacity
 - C. 15% is Length of Credit
 - D. 10% is Accumulation of Debt in the last 12-18 months
 - E. 10% is the Mix of the Credit Established
4. Your credit score will be a three-digit number between 300 and 850. The Average score in America is around 700.
5. If you do score low DON'T LOSE HOPE!!!! There are many ways to get you back on track to having a good score.
 - A. Start by paying all of your bills on time!
 - B. Make up those missed payments and keep the current payments current!
 - C. Maintain low balances on revolving type credit! I.e. Credit Cards
 - D. Pay off debt instead of transferring to a new account!
 - E. Don't close unused Credit Card accounts to try and raise your score!
 - F. Don't get new credit cards you do not need to increase your line of credit available!
 - G. Move revolving debt to Installment debt!
 - H. Acquire Solid Credit History with Years of Experience!
6. These are things that do not impact your score.
 - A. Debt Ratio
 - B. Income
 - C. Length of Residence
 - D. Length of Employment

NOTE: These factors lenders consider when making a loan decision but still don't affect your score!