

Credit Report Hot Sheet



Credit scores range from 400-900 with an average around 700. As your score increases your risk of default decreases. Industry experience shows a direct correlation between low scores and high default rates. The information below may help you keep or earn a high score.

Factors Affecting Your Credit Score

- Payment history (35%)—Late payments negatively affect your rating.
- Outstanding debt (30%)—A low balance on two cards is better than a high balance on one card.
- Length of your credit history (15%)—The longer your accounts have been open the better.
- Recent inquiries on your report (10%)—Applying for many new accounts may negatively affect your score.
- Types of credit in use (10%)—Loans from finance companies may lower your score.

Among the items that credit scoring companies cannot consider are age, race, gender, education, national origin, marital status, and receipt of public assistance

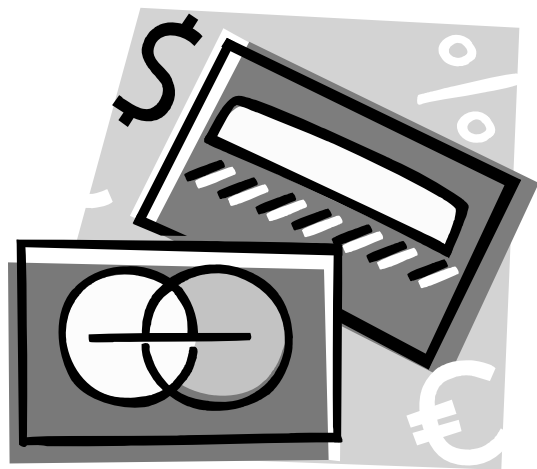
Remember, the credit history for any one-month remains on your file for 7 years. Just because you pay off a debt, doesn't mean it stops affecting your credit. Once you pay off a debt, 'how you paid' may stay on for another 7 years from the date the debt was paid.

Improving Your Credit Score

- Pay your bills on time.
- Update old accounts.
- Don't max out your credit lines.
- Limit the number of times you apply for credit.
- Maintain your accounts for a long period of time.

How Your Credit Score May Affect Your Future

- Restricts ability to obtain new credit.
- Experience high interest rates on new credit.
- May not qualify for a home or car loan.
- Receive larger loan interest rate.
- Denial of insurance or increased rates.
- Limits employment opportunities.



Credit Reporting Agencies

Equifax: 800-685-1111

Experian: 888-397-3742

Trans Union: 800-916-8800

www.creditadvisors.org