



# How Is Your Credit Score Determined?

*Each year, an increasing amount of Americans are falling behind on their monthly credit card payments. As more people delay payments, their credit scores decline. These lower credit scores will translate into higher payments for home and auto loans. Your credit history does not only impact your purchasing power, but it also affects your ability to rent and perhaps even get a new job. Your credit scores, or FICO scores, may range from 300 to 850, with the median as 720.*

## Your credit score is based on 5 major factors:

1. Approximately 35% of your score is based on your payment history. Your rating will go up if you make consistent, on-time payments. However, late payments will lower your score.
2. Outstanding balances on your accounts determine 30% of your score. Lower levels of debt equate to a higher credit score.
3. 15% of your credit rating is based on the length of your credit accounts. If you have a longer history with each credit card, this would reflect a higher score.
4. The mixture of revolving, installment and mortgage accounts is defined as your credit mix. 10% of your score is based on how distributed this mix is.
5. The final 10% of your score is determined by how often you inquire about receiving a new loan. The more often you request your credit report or open a new account, the lower your rating will be.

*These five main factors determine your overall credit score. The higher your credit score, the more drastically your rating will be affected in the event of a delinquency. If you are over 30 days past due and you have a fairly low credit rating, this delinquency will not have a profound effect on your overall rating. Check your credit report carefully to verify that the information is accurate for each of your accounts.*

## For more information, please contact:

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