

# Credit Scoring

The FICO score is a mathematical calculation that measures your probability to repay a loan. Measurements are based upon a number of factors that include:

- your current outstanding debt
- places and the number of times you have applied for credit
- the kind of credit you have taken out in the past
- late payments in 30, 60, and 90 day increments
- over extension of your credit lines
- liens / garnishments
- bankruptcy

## **FICO Scores: 720 and up**

- Scores 720 and up are considered excellent.
- Most lenders will categorize this group as A rating.
- Scores within this group will have access to the best interest rates and terms.

## **FICO Scores: 640 to 719**

- Scores 640 to 719 are considered good credit.
- Most lenders will categorize this group as B rating.
- Scores within this group will have access to good interest rates, but may not qualify for the very best interest rates and terms.

## **FICO Scores: 500 to 639**

- Scores 500 to 639 are considered risky credit.
- Most lenders will categorize this group as C rating.
- Scores within this group may still qualify for a loan, but may have to pay at least two percentage points or more higher interest rates than the group in the excellent category.

## **FICO Scores: 499 and less**

- Scores 499 and below are considered very risky credit.
- Most lenders will categorize this group as D rating — which means the applicant may have foreclosure, liens, and credit judgments.
- Scores within this group may still be eligible for a loan, but may have to pay at the maximized rates determined by State and Federal regulations.

## **What Determines Your Score**

- Your payment history – about 35% of a FICO score
- How much you owe – about 30% of a FICO score
- Length of your credit history – about 15% of a FICO score
- New credit – about 10% of a FICO score
- Other factors – about 10% of a FICO score

See more information: [www.SayGoodCredit.com/fico](http://www.SayGoodCredit.com/fico)