

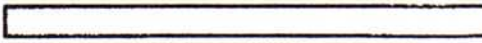
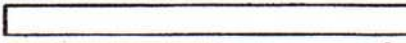
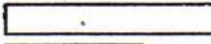


FICO Explained

Question: Who or what is FICO?

Answer: Credit bureau risk scores produced from models developed by Fair, Isaac and Company, Inc. are commonly known as FICO® scores. Fair, Isaac credit bureau scores are used by lenders and others to assess the credit risk of prospective borrowers or existing customers, in order to help make credit and marketing decisions. These scores are derived solely from the information available on credit bureau reports.

Question: How does a FICO score break down?

Answer: Typical weighting of importance is...

• Payment History	35%	
• Amounts Owed	30%	
• Length of Credit History	15%	
• New Credit	10%	
• Types of Credit in Use	10%	



Also, a score takes into consideration all these categories of information, not just one or two. The importance of any factor depends on the overall information in your credit report. Your score only looks at information in your credit report (not income or length of employment which are also considerations for lenders when making a credit decision). Your score considers both positive and negative information in your credit report.

Question: How does the score affect my mortgage loan?

Answer: Higher scores allow for easier qualifying and better mortgage loan terms and conditions.

Question: What can you do to improve your score?

Answer: Making your loan / credit card payments on time and keeping your amounts owed to a minimum are the most important things you can do to improve your score. Other resources to help you understand / improve your score are available on-line at:

www.myfico.com

www.scorepower.com

www.equifax.com

Information on FICO scoring is copyright and courtesy of Fair, Isaac & Company



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