What is Your FICO® Score?

Learn how to find out

"When the lease was about up on our apartment, we started looking to buy a home. When we were deciding where to get our home loan, we looked to Wright-Patt because we were already members. It worked out well. You felt really comfortable, like you were a person, not a number. The whole process of setting up the mortgage was painless. We're very happy with Wright-Patt."

Jim & Terrie B.
Members since 1999

When you apply for credit – whether for a credit card, a car loan, or a mortgage – lenders want to know what risk they'd take by loaning money to you. FICO scores are the credit scores most lenders use to determine your credit risk and range from a low of 300 to a high of 850.

Your FICO scores affect both how much and what loan terms (interest rate, etc.) lenders will offer you. Taking steps to get your FICO scores in the higher ranges can help you qualify for a better mortgage rate, which means lower monthly mortgage payments for you.

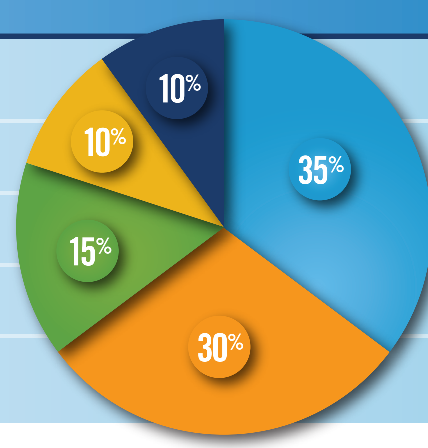
Check Your Credit Reports

You have a FICO score for each of the three credit bureaus – Experian, TransUnion, and Equifax. Each score is based on information the credit bureau keeps on file about you. As this information changes, your credit scores tend to change as well. Be sure to check your credit report with all three bureaus; they do not have the same records.

www.equifax.com • www.experian.com • www.transunion.com

THE FACTORS BELOW DETERMINE YOUR CREDIT SCORE:

- 35% PAYMENT HISTORY
- 30% AMOUNTS OWED
- 15% LENGTH OF CREDIT HISTORY
- 10% NEW CREDIT
- 10% TYPES OF CREDIT USED



On the following pages you will see the factors that contribute to each of these categories and ways to improve your credit score.

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What is Your FICO Score?

35% PAYMENT HISTORY (approximately 35% of your score)

The biggest impact on your credit score is whether you've paid past credit accounts on time. Overall, a good credit foundation can outweigh a few late payments, which will have less impact over time.

Eliminate Mistakes

Clear up mistakes on your credit report. Make sure that every item on the report relates to you and that you have not been a victim of identity theft.

Pay On Time

Being 30 days late with even one payment can negatively impact your score. If you can't afford to pay the whole bill, at least pay the minimum amount due.

30% AMOUNTS OWED (approximately 30% of your score)

Having credit accounts and owing money doesn't make you a high-risk borrower. But owing a lot of money on numerous accounts can suggest that you are overextended and more likely to make late payments or none at all.

Keep Credit Card Balances Low

High outstanding debt can pull down your score.

Raise Your Limit

Ask your credit card issuer to increase your available credit limit. This will improve your debt-to-credit-limit ratio. However, it's important you don't use that extra credit and end up with additional debt.

15% LENGTH OF CREDIT HISTORY (approximately 15% of your score)

In general, a longer credit history will increase your FICO score. Lenders want to see that you can responsibly manage your available credit over time.

Don't Close an Account to Remove It From Your Record

A closed account will still show up on your credit report, and may be considered in the score. In fact, closing accounts can sometimes hurt your score unless you also pay down your debt at the same time. Remember that credit history is defined by how long you have had credit. Holding on to credit cards - even cards you do not use - helps establish that history.

10% NEW CREDIT (approximately 10% of your score)

People today tend to have more credit and to shop for credit more frequently. But opening several credit accounts in a short period of time can represent greater risk, especially for people with short credit histories. Requests for new credit can also represent greater risk. However, FICO scores are able to distinguish between a search for many new credit accounts and rate shopping.

Pay Off Debt Rather Than Moving It Around

Consolidating your credit card debt with one card or spreading it over multiple cards will not improve your score in the long run. The most effective way to improve your score is by simply paying down the amount you owe.

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What is Your FICO Score?

Lower Your Interest Rate

Try to get your credit card interest rate lowered and make sure the reduction is permanent. If that doesn't work, find lower-rate cards.

Compare credit cards at **http://www.e-wisdom.com**

Shop for a Loan Within a Focused Period of Time

FICO scores distinguish between a search for a single loan and a search for many new credit lines, based in part on the length of time over which recent requests for credit occur.

10% TYPES OF CREDIT USED (approximately 10% of your score)

Your FICO score will reflect your mix of credit cards, retail accounts, installment loans, finance company accounts and mortgage loans. While a healthy mix will improve your score, it is not necessary to have one of each, and it is not a good idea to open credit accounts you don't intend to use.

Have Credit Cards - But Manage Them Responsibly

In general, having credit cards and installment loans you pay on time will raise your score. Someone who has no credit cards tends to have a lower score than someone who has managed credit cards responsibly.

Don't Open Multiple Accounts Too Quickly, Especially If You Have a Short Credit History

This can look risky because you are taking on a lot of possible debt. New accounts will also lower the average age of your existing accounts, which in turn impacts your length of credit history.

Give Me a Call Today!

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