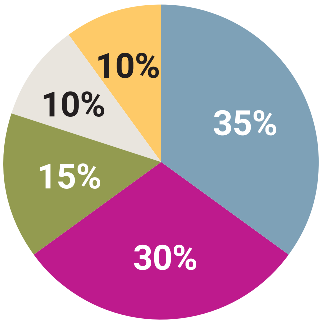
# FICO® Score Fact Sheet

### FICO® Score criteria




## Q: What is a FICO® Score?

A: A credit score is a number that summarizes an individual's credit risk, based on a snapshot of their credit report at a particular point in time. It helps lenders and others predict how likely people are to make their credit payments on time. It affects whether they can get credit and how much they pay for credit cards, auto loans, mortgages and other kinds of credit.

The most widely-used credit scores are FICO® Scores, the credit scores developed by FICO and available through consumer reporting agencies. Introduced in 1989 in the US, FICO® Scores help lenders make billions of credit decisions every year.

### FICO® Scores:

- Are based solely on information in consumer credit reports maintained at the consumer reporting agencies.
- Are available to lenders from all three major US consumer reporting agencies (Equifax, Experian and TransUnion).
- Have a 300–850 score range—the higher the score, the lower the risk.
- Come with reason codes that indicate why the score was not higher, supporting regulatory compliance and communication with consumers.

## Q: What information is considered by FICO® Scores?

**A: Payment history—approximately 35% of a FICO® Score**

Have you paid your credit accounts on time? Late payments, bankruptcies and other negative items can hurt your FICO® Score, while a solid record of on-time payments helps your score.

**How much you owe—approximately 30% of a FICO® Score**

FICO® Scores look at the amounts you owe on all your accounts, the number of accounts with balances and how much of your available credit you are using.

**Length of credit history—approximately 15% of a FICO® Score**

A longer credit history will generally increase your score. However, you can get a good score with a short credit history if the rest of your credit report shows responsible credit management.

**New credit—approximately 10% of a FICO® Score**

If you have recently applied for or opened new credit accounts, your credit score will weigh this fact against the rest of your credit history. Seeking or opening multiple accounts in a short period of time can be considered more risky and have a negative impact on your score.

**Other factors—approximately 10% of a FICO® Score**

Several minor factors also can influence your score. For example, having a mix of credit types on your credit report—credit cards, installment loans and personal lines of credit—can add slightly to your score.

## Q: What information is not considered by FICO® Scores?

A:
- Race, color, religion, national origin, sex or marital status
- Age
- Salary, occupation, title, employer, date employed or employment history
- Where you live
- Any interest rate being charged on a credit card or other account
- Any items reported as child/family support obligations or rental agreements
- Certain types of inquiries (requests for your credit report or score), including any inquiries you initiate to view your own credit report or score from a consumer website, any inquiries from employers or any inquiries that lenders make without your knowledge
- Any information not found in your credit report
- Any information that is not proven to be predictive of future credit performance

## Facts and Fallacies

**A credit score determines whether or not I get credit.**

False. Each lender makes that decision based on its own underwriting policies, which may include information such as the amount of debt a person can reasonably handle given their income, employment history and credit history — in addition to FICO® Scores.

**A poor score will haunt me forever.**

In fact, the opposite is true. A FICO® Score is a "snapshot" of a person's risk at a particular point in time. It changes as new information is added to one's credit bureau files. Scores change gradually as a person changes the way they handle and manage their credit.

**Getting married results in a single score for both spouses.**

Credit bureau files are created and managed at an individual level and both spouses will have their own credit report and FICO® Scores. Note, joint credit would be reported on both spouses' credit reports.

**Closing unused, $0 balance credit cards will help increase a score**

False. Closing $0 balance credit cards will not increase a FICO® Score. It may actually have the opposite effect as this action could reduce the amount of one's available revolving credit, which could, in turn, make one look more highly utilized on their remaining credit cards.

**Having a high income ensures a high credit score.**

False. A person's income is not considered in the calculation of a FICO® Score. However, lenders will likely consider an applicant's income in their evaluation criteria.

**For more information about credit scoring and credit reports visit: www.myfico.com/CreditEducation.**

FICO

**FOR MORE INFORMATION**
www.fico.com
www.fico.com/blogs

**NORTH AMERICA**
+1 888 342 6336
info@fico.com

**LATIN AMERICA & CARIBBEAN**
+55 11 5189 8267
LAC_info@fico.com

**EUROPE, MIDDLE EAST & AFRICA**
+44 (0) 207 940 8718
emeainfo@fico.com

**ASIA PACIFIC**
+65 6422 7700
infoasia@fico.com



2775FS_EN 09/16 PDF