

What's Your Score? What Does It Mean?

The credit industry is keeping score. Every time you apply for a credit card, a mortgage, insurance, or perhaps even a job, your application is judged in part by your credit score. Ranging from 300 to around 900, the number is used by lenders to objectively measure your creditworthiness. The higher the score, the more likely you are perceived to repay credit. Consumers with scores less than 600 usually are categorized as higher risk and may pay a higher interest rate or be denied credit.

Fair Isaac & Co. (FICO) is the largest creator of credit scores. While most lenders use FICO scores, there are many different kinds of credit scores, and some lenders even create their own scoring models. Thus, your credit score could vary by 30 to 100 points because lenders weigh credit factors differently.

Factors that affect your credit score include payment history, amount of debt you carry, length of credit history, whether you frequently apply for new credit, and your credit mix (credit cards, retail cards, mortgage, personal loans).

The best advice is to pay bills on time and only charge as much as you can afford to pay in full when the bill is due on credit cards and other revolving accounts.

To order your credit score for \$12.95, go to www.MyFico.com. Call the credit reporting agencies for pricing options for credit reports and credit scores: Equifax 800-685-1111; Experian 888-397-3742; TransUnion 800-888-4213.

Copyright 2004 Credit Union National Association Inc. Information subject to change without notice. For use with members of a single credit union. All other rights reserved.