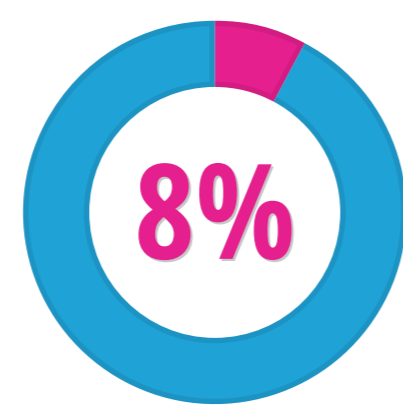


# The Game of CREDIT SCORE



## INSIDER TIP: KNOW YOUR RATIO

It's not just a credit score that can make or break your chances at a loan or credit. Knowing your credit utilization ratio, which is a comparison between how much credit you have available versus how much of it you're actually using is an important factor. The lower that ratio, the better. Just because you have \$25,000 in credit available does NOT mean you should be using it.

● Credit Debt \$2,000   
 ● Total Credit \$25,000   
 CREDIT UTILIZATION RATE =  $\frac{\text{Your Total Debt}}{\text{Your Total Credit}}$

CREDIT SCORE:

**760**

For most people this score is as good as it gets. You have built up equity in your first home, consider utilizing it.

CREDIT SCORE:

**750**

Get a promotion at work with a raise. Celebrate and go on some fun dates, maybe take an exciting vacation with your friends.

Hey, you missed a car payment.

**GO BACK FIVE SPACES!**  
Missing a payment could knock you back 60-80 points

CREDIT SCORE:

**740**

With a mortgage under your belt your credit score will continue to increase with monthly payments.

CREDIT SCORE:

**730**

Apply for a mortgage. You could lock in a good interest rate and buy your first home!

CREDIT SCORE:

**725**

Your credit score is looking pretty good. Consider applying for a mortgage.

CREDIT SCORE:

**720**

Continue paying off credit card in installments, but always more than the minimum owed. This score is a milestone where you will generally see a jump for even better interest rates.



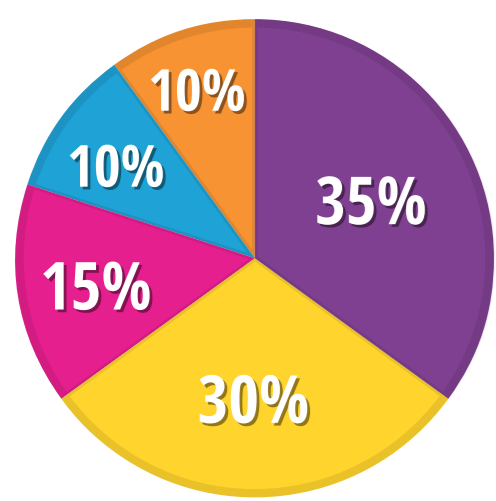
**FINISH**

CREDIT SCORE:

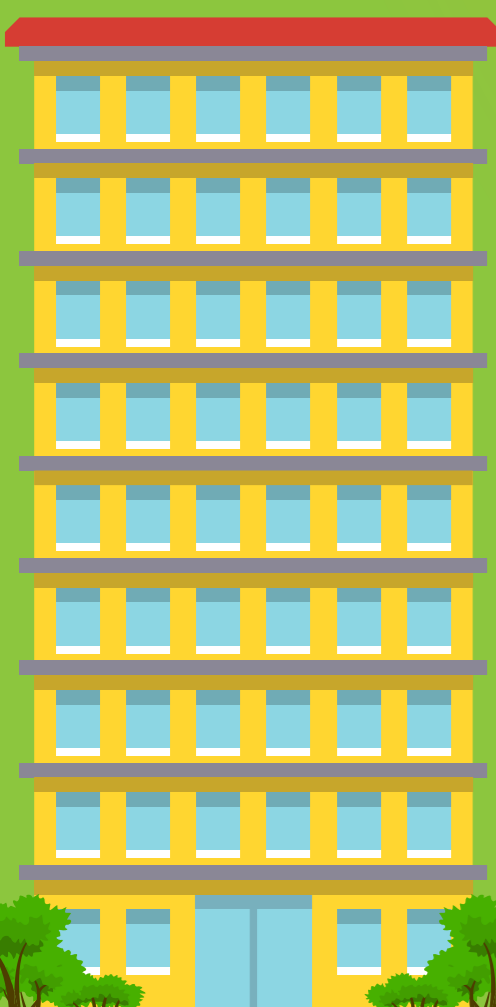
**825**

Get a mortgage with an optimal interest rate. Now buy your dream house!

## WHAT'S THE [NOT-SO] SECRET FORMULA TO CALCULATING A CREDIT SCORE?



- Payment history
- Balances outstanding
- Length of your credit history
- Applications for new credit accounts
- Types of credit accounts (mortgages, car loans, credit cards)



**START**

Apply for first credit card. Begin credit history.



CREDIT SCORE:

**560**

It's time to build your credit. You're not ready to take on a mortgage just yet.

CREDIT SCORE:

**580**

You consider buying versus renting a home, but although you could qualify it is rare that it works out with this score. Plus interest rates will be high. You decide to keep renting for now.

CREDIT SCORE:

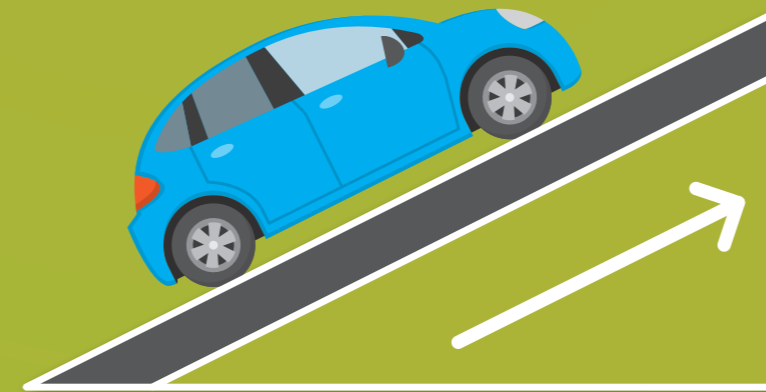
**620**

Reach minimum automatic qualification for most mortgage lenders, but interest rates are still pretty high.



## SETTLING YOUR CREDIT SCORE: WHAT DO THOSE NUMBERS ACTUALLY MEAN?

Credit scores are based on objective factors as a way for lenders to judge a borrower's creditworthiness. It generally falls between 300 (not good) and 850 (optimal!). The higher the score, the better your chance of being approved for a loan.



## AUTO LOANS: A DRIVING FORCE IN CREDIT HISTORY

Making responsible payments toward an auto loan can be a great way to drive up your credit score. Auto loans are some of the more easily obtained loans, which makes it a great starting point for someone needing to build positive credit history.



CREDIT SCORE:

**650**

You already qualify for a mortgage, but you also need more lines of credit. Buy a new car, pay monthly payments on time.

**OOPS!**

Looks like you missed a payment.

**GO BACK TWO SPACES!**

CREDIT SCORE:

**670**

Start a budget plan. Use your credit card for small purchases and pay it in full every month for six months.

CREDIT SCORE:

**700**

Request a credit limit increase on credit card. Getting approved for the increase will help decrease your credit utilization ratio.



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