

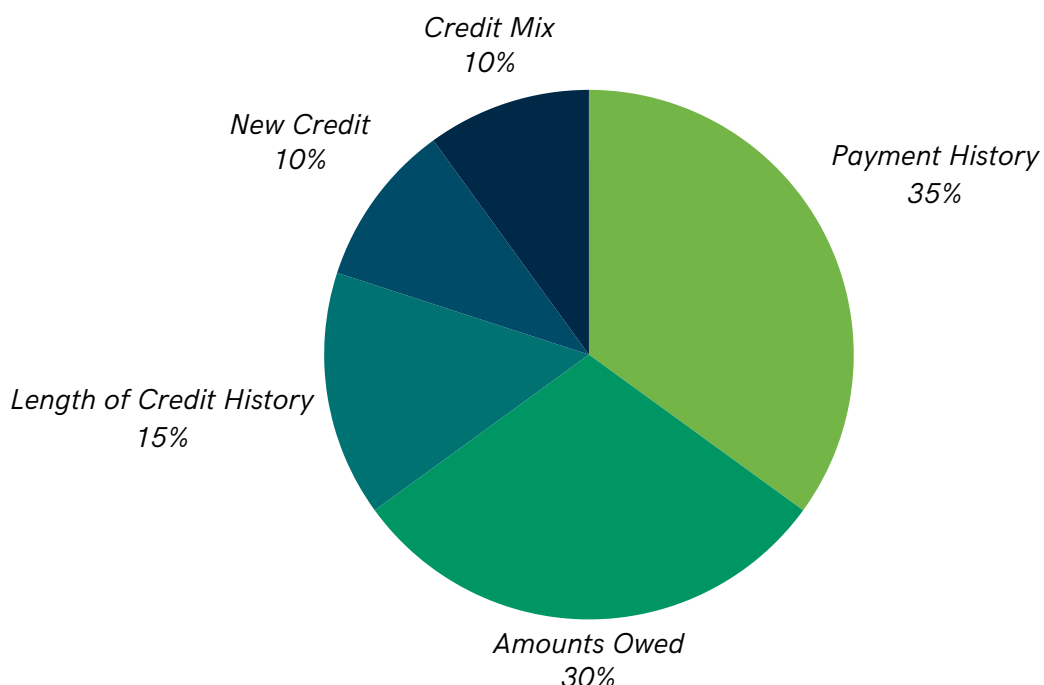
Understanding Your Credit Score aka "*FICO Score*"

What's in my FICO Score?

FICO Scores are calculated using many different pieces of credit data in your credit report. This data is grouped into five categories: payment history (35%), amounts owed (30%), length of credit history (15%), new credit (10%) and credit mix (10%).

The Importance of Credit Categories Varies by Person.

Your FICO Scores consider both positive and negative information in your credit report. The percentages in the chart reflect how important each of the categories is in determining how your FICO Scores are calculated. The importance of these categories may vary from one person to another—we'll cover that in the next section.



Your FICO Scores are unique, just like you. They are calculated based on the five categories referenced above, but for some people, the importance of these categories can be different. For example, scores for people who have not been using credit long will be calculated differently than those with a longer credit history.

What categories are considered when calculating my FICO Score?

Your credit report and FICO Scores evolve frequently. Because of this, it's not possible to measure the exact impact of a single factor in how your FICO Score is calculated without looking at your entire report. Even the levels of importance shown in the FICO Scores chart above are for the general population and may be different for different credit profiles.

Payment history (35%)

The first thing any lender wants to know is whether you've paid past credit accounts on time. This helps a lender figure out the amount of risk it will take on when extending credit. This is the most important factor in a FICO Score.

Amounts owed (30%)

Having credit accounts and owing money on them does not necessarily mean you are a high-risk borrower with a low FICO Score. However, if you are using a lot of your available credit, this may indicate that you are overextended—and banks can interpret this to mean that you are at a higher risk of defaulting.

Length of credit history (15%)

In general, having a longer credit history is positive for your FICO Scores, but is not required for a good credit score.

Your FICO Scores take into account:

- How long your credit accounts have been established, including the age of your oldest account, the age of your newest account and an average age of all your accounts
- How long specific credit accounts have been established
- How long it has been since you used certain accounts

Credit mix (10%)

FICO Scores will consider your mix of credit cards, retail accounts, installment loans, finance company accounts and mortgage loans. Don't worry, it's not necessary to have one of each.

New credit (10%)

Research shows that opening several credit accounts in a short amount of time represents a greater risk—especially for people who don't have a long credit history.

[WATCH HERE:](#) Credit Education Videos - What Goes Into Credit Score