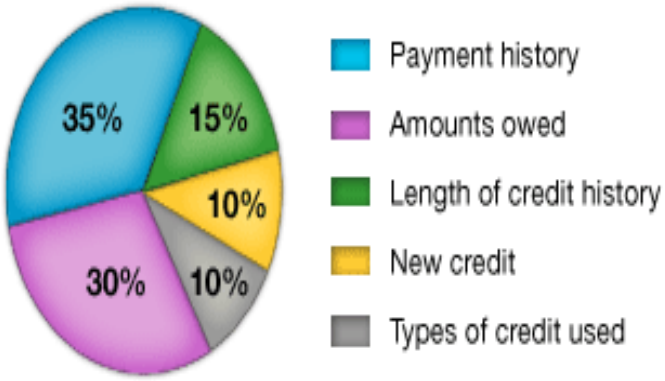
What's <u>in</u> your FICO® score?

FICO Scores are calculated from a lot of different credit data in your credit report. This data can be grouped into five categories as outlined below. The percentages in the chart reflect how important each of the categories is in determining your FICO score.



These percentages are based on the importance of the five categories for the general population. For particular groups - for example, people who have not been using credit long - the importance of these categories may be somewhat different.

Payment History

- Account payment information on specific types of accounts (credit cards, retail accounts, installment loans, finance company accounts, mortgage, etc.)
- Presence of adverse public records (<u>bankruptcy, judgments, suits, liens</u>, <u>wage attachments</u>, etc.), <u>collection items</u>, and/or <u>delinquency</u> (past due items)
- Severity of delinquency (<u>how long past due</u>)
- Amount past due on delinquent accounts or collection items
- Time since (regency (*<u>the time period from</u>*) of)) **<u>past due items</u>** (<u>delinquency</u>), **<u>adverse public records</u>** (<u>if any</u>), or **<u>collection items</u>** (*<u>if any</u>*)
- Number of past due items on file
- Number of accounts paid as agreed

Amounts Owed

- Amount owing on accounts
- Amount owing on specific types of accounts
- Lack of a specific type of balance, in some cases
- Number of accounts with balances
- Proportion of credit lines used (proportion of balances to total credit limits on certain types of revolving accounts)
- Proportion of installment loan amounts still owing (proportion of balance to original loan amount on certain types of installment loans)

Length of Credit History

- Time since accounts opened
- Time since accounts opened, by specific type of account
- Time since account activity

New Credit

- Number of recently opened accounts, and proportion of accounts that are recently opened, by type of account
- Number of recent credit inquiries
- Time since recent account opening(s), by type of account
- Time since credit inquiry(s)
- Re-establishment of positive credit history following past payment problems

Types of Credit Used

- Number of (presence, prevalence, and recent information on) various types of accounts (credit cards, retail accounts, installment loans, mortgage, consumer finance accounts, etc.)

Please note that:

- **A FICO score takes into consideration all these categories of information, not just one or two.**
  No one piece of information or factor alone will determine your score.

- **The importance of any factor depends on the overall information in your credit report.**
  For some people, a given factor may be more important than for someone else with a different credit history. In addition, as the information in your credit report changes, so does the importance of any factor in determining your FICO score? Thus, it's impossible to say exactly how important any single factor is in determining your score - even the levels of importance shown here are for the general population, and will be different for different credit profiles. What's important is the mix of information, which varies from person to person, and for any one person over time.

- **Your FICO score only looks at information in your credit report.**
  However, lenders look at many things when making a credit decision including your income, how long you have worked at your present job and the kind of credit you are requesting.

- **Your score considers both positive and negative information in your credit report.**
  Late payments will lower your score, but establishing or re-establishing a good track record of making payments on time will raise your FICO credit score.

Need additional information? Contact Ron with e-address or through his web site!