



Free Credit Reports Now Available

Taking the Mystery Out of Credit

“Credit scores” play an important role in today’s lending environment, yet how they are applied is often a “mystery” to the consumer. With access to a variety of new resources, consumers are now empowered to learn about and manage their personal credit and protect their credit identity from fraud and theft.

What is a Credit Score?

A credit score is the result of a mathematical equation that evaluates many types of information that are on your credit report. Lenders with whom you have applied will usually review your credit report and credit score, along with other factors, such as your ability and

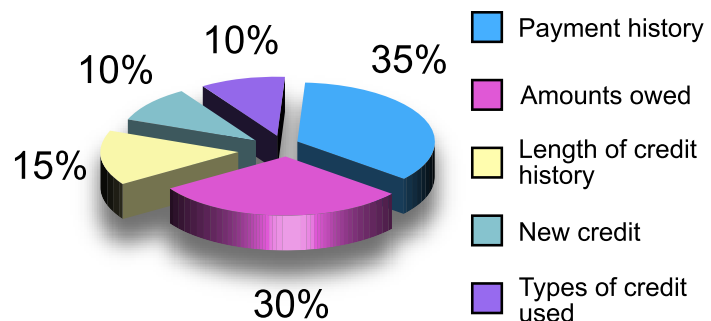
likelihood to repay debt. Credit scores are also often called “FICO scores” because most credit scores are produced from software based on a model developed by Fair Isaac and Company (“FICO”). For more information about FICO scores, visit www.myfico.com.

What Makes Up a Credit Score?

The FICO score generally ranges from 300 to 850, and a higher score indicates a lower credit risk. FICO scores are calculated from many sources of information in your credit report, which is based on the importance of the following five categories for the general population:

Rumor: Credit reporting agencies decide whether to grant or withhold credit.
FACT: It is the lender who makes the credit decision.

- Payment History 35%
Were Payments Made on Time?
- Amounts Owed on Accounts 30%
Is the balance owed close to the limit?
- Length of Credit History 15%
How long have your accounts been open?
- New Credit 10%
How many new accounts have been opened?
- Types of Credit Used 10%



What is Not in Your Score?

- Your race, color, national origin, sex, age, marital status
- Your salary, occupation, title, employment information, or residence address
- Any interest rate being charged on your credit accounts
- Any items such as family/child support, rental agreements, credit counseling participation

What Can Affect My Score?

• Your FICO score is a “snapshot” of your credit history at a given point in time, and can change based on the factors that make up your credit score.

Rumor: My score determines whether or not I get credit.
FACT: Lenders use a number of facts to make credit decisions, including your FICO score. Lenders may look the amount of debt you can afford based on income, employment history and credit history.

- Late Payments - Pay your bills on time and if you have missed a payment, get current.
- Credit History- When you pay off a debt or collection, or close an account, the credit reference remains on your credit report for a minimum of seven years.
- High Balances - Keep outstanding balances low on credit cards and other “revolving” accounts
- New Credit - If you have been managing credit for a short time, don’t open a lot of new accounts.

How to Improve a Credit Score

Your score can improve by managing your credit responsibly over time and following some basic tips:

- Make sure the information in your credit report is correct. You are entitled to one free credit report annually from the three credit bureaus – Experian, TransUnion and Equifax. Visit www.annualcreditreport.com to obtain your free reports. You may also purchase a copy of your credit score report through this website.
- Review your credit report for accuracy (date opened, account balance, account limit, last activity) and have incorrect or erroneous information updated.
- Pay down high credit card and revolving account balances, but don't close the account. Don't apply for credit that you don't need – excessive credit report "inquiries" can lower your score.
- Avoid moving credit balances from one account to another just to take advantage of low introductory interest rates. The combination of "inquiries" and "new accounts" can negatively impact your score.
- If possible, avoid "finance company" type credit accounts, including "90-day" and "12 months same-as-cash" accounts. Mortgage loans, installment loans and revolving credit card accounts impact your score more favorably than finance company accounts.



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