



THE KEYS TO CREDIT

Prepared to make a significant purchase like a home or open a new line of credit? When banks and lenders look at credit scores, they use your FICO score from the Fair Isaac Corporation. Only FICO includes accurate, up-to-date scores from all three Credit Reporting Agencies (CRAs).

Beware of commercial sites like Credit Karma and Credit Sesame! They don't always give correct scores. These "free" sites are mostly affiliated with only one of the CRAs, and scores can **swing by 100 points** or more!

Credit Bureau Score Ranges

Experian: 300 to 850
Equifax: 360 to 840
TransUnion: 300 to 850

EXCELLENT	750 & ABOVE
GOOD	700 - 749
FAIR	650 - 699
POOR	550-649
BAD	550 & BELOW

Used by 90% of lenders, FICO provides the most reliable report – including scores for each of the 3 agencies. There are hundreds of different credit-scoring models, but none use the same risk criteria as FICO.

SOME TIPS TO BOOST YOUR CREDIT SCORE:

- » Reduce your debt with a structured payment plan.
- » Keep low balances and make payments on time.
- » Avoid excessive credit requests/inquiries.
- » Check your report annually at:

AnnualCreditReport.com

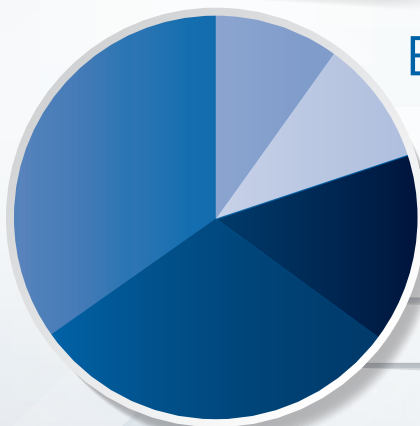
Things to Keep in Mind

Algorithms used for determining each type of credit are different. For example, an auto lender will look at one score while a credit card company looks at another.

The FICO model is based on a **max of 850**, often the fake FICO given to consumers is based on models of 900 or even 950 which will trigger an incorrect score.

When pulling a mortgage credit report, we will use the **middle FICO score**. If there is more than one borrower, we use the lowest of the middle FICO score(s) for all borrowers.

ELEMENTS OF YOUR CREDIT SCORE



PAYMENT HISTORY	35%
AMOUNTS OWED	30%
LENGTH OF CREDIT HISTORY	15%
TYPES OF CREDIT USED	10%
NUMBER OF INQUIRIES	10%

Elements of your credit score source: myfico.com. Disclaimer: Bay Equity is a Lender. This was prepared for general informational purposes only. This information does not constitute as legal, tax, or financial advice. It cannot replace the advice of competent legal counsel or tax advisor or finance professional licensed in your state.

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HOME LOANS
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