

# Do You Know Your CREDIT SCORE?

*Your mortgage interest rate depends on it!*

## HOW CREDIT SCORES ARE DETERMINED

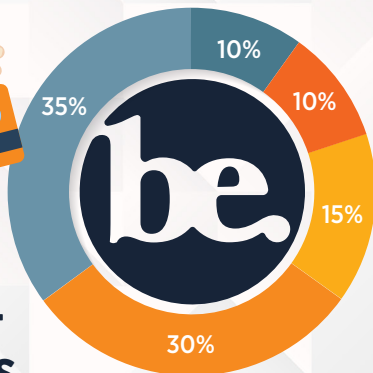
**35% - PAYMENT HISTORY** Making past payments on time is the biggest factor! Keep accounts in good standing.

**30% - AMOUNTS OWED** Consistent high balances could hurt your score. Banks may see you as a higher risk of default. Reduce your debt with a structured payment plan.

**15% - LENGTH OF CREDIT HISTORY** This one is simple. A longer history of regular credit payments generally means a higher credit score. Old accounts, even if lightly used, are not bad for your credit.

**10% - NEW CREDIT** Opening many credit accounts at once is not a good way to establish good credit. It looks risky, especially if you don't have a long credit history. Don't open a bunch of accounts you don't need too quickly.

**10% - TYPES OF CREDIT** Retail, credit cards, previous mortgages, company accounts and installment loans are all part of your credit profile. A conservative combination of revolving, installment and secured financing will yield a higher score in the long term. *Source: FICO.com*



### Running the Joint

On joint accounts, know the difference between "joint account holders" and "authorized users." "Holders" are liable for the debt, while "users" can use the account but are not liable.



### Old Credit is Good Credit

A good record of payments on an established credit account can benefit your score. A low "credit utilization ratio" is best, keep your balances below 30% of your credit limit. *Source: TheBalance.com*



**40%**

About 40% of U.S. consumers applied for new revolving credit at least once in the past year. *Source: myFICOblog.com*

**1 in 5**

The Federal Trade Commission says one in five people has an error on at least one of their credit reports. Frequently check your credit report and dispute inaccurate information you find, it could greatly impact your score! *Source: FTC*

**\$1,121**

The average U.S. household interest paid annually on revolving credit. *Source: NerdWallet*

**14%**

Percentage of Americans with no credit history that are "credit invisible." Many young people choose to swear off credit, but no credit can be as bad as low credit! *Source: CFPB*

**The 1%**

About 1% of consumers have a pristine credit score of 850. It's quite the achievement, but not a necessity! *Source: myFICO.com*

**20%** 800 or Higher *Exceptional!*  
**23%** 740 to 799 *Very Good!*  
**24%** 670 to 739 *Good!*



**695**  
The Average U.S. Credit Score

**728**  
The Average U.S. Homeowner Credit Score

### Kathy Stypula

Senior Loan Officer

NMLS #311484

7783 North Ingram Avenue  
Fresno, CA 93711

Direct: 310-600-0979

[kstypula@bayeq.com](mailto:kstypula@bayeq.com)

[www.KathyLoan.com](http://www.KathyLoan.com)

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