

# YOUR REAL CREDIT SCORE

## BEWARE OF COMMERCIAL SITES LIKE CREDIT KARMA AND CREDIT SESAME!

They can be valuable tools, but don't always give correct scores!

- » These sites are typically affiliated with only one of the three major **credit reporting agencies (CRAs) – Experian, TransUnion and Equifax.**
- » Algorithms used for determining each type of credit are different.
- » The free score you're provided will not be accurate for all kinds of credit!
- » Scores can swing by a hundred points or more.
- » These sites often come with strings attached, such as a recurring fee.

While credit reports play only a small role in the mortgage underwriting process, they serve as a “gateway” to the process. The CRAs are already required by law to provide a **FREE** annual credit check.

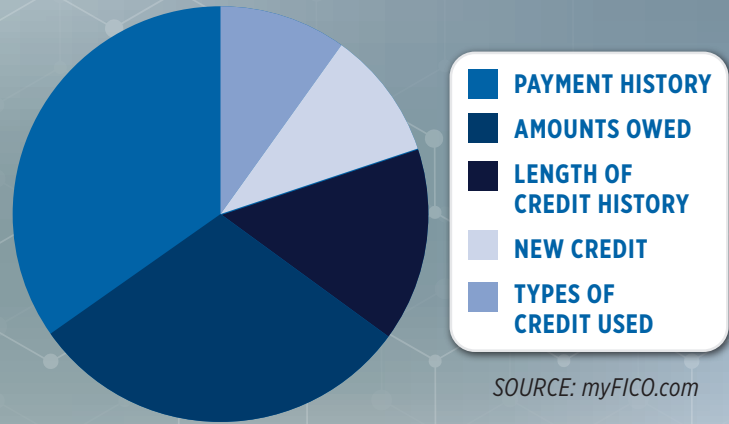
[www.AnnualCreditReport.com](http://www.AnnualCreditReport.com)

## ELEMENTS OF YOUR CREDIT SCORE

Used by 90% of lenders, the **FICO (Fair Isaac Corporation)** 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.

### *In the meantime, boost your credit score and financial health:*

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



SOURCE: myFICO.com

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