

# What Affects Your Credit Score?



## The Importance of Your Credit Score

Credit scores are an important factor in mortgage loans but many consumers are unsure about what causes them to receive that score.

## How Your Credit Score is Determined

The typical score model for mortgages are FICO Scores. They are determined by five main categories:

- 35% is based on your payment history.  
(Including all accounts)
- 30% is based on the amount you owe creditors.  
(Especially revolving accounts with high balances)
- 15% is based on how long you have been using credit.  
(The longer you have a good payment history, the better)
- 10% is based on your applications for new credit.  
(If you are loading up on credit it may damage your score)
- 10% is based on your 'mix' of credit  
(Numerous finance company accounts may lower your score)

## How Your Credit Score Is Compiled

The data used to compile credit scores is based on information reported by creditors to Equifax, Experian, and Transunion. It does not include information about income, race, sex, or religion.

## Maintaining a Good Credit Score

There are key factors to maintaining a good FICO Score:

- Pay your bills on time.  
(Even one late in the past 12 months can do significant damage)
- Keep balances low on revolving accounts  
(Accounts with balances over 30% of the credit limit may lower your score)
- Don't 'credit surf'  
(Frequent credit applications or balance transfers may lower your score)
- Review your credit file at least once per year  
(This enables you to determine any errors or fraud)

## How to Correct An Error on Your Credit

If you feel there is an error on your file, contact the creditor in question and request an investigation. You may also dispute the item with the bureaus at the addresses below:

Equifax – Po Box 105873 Atlanta, Ga 30348

Transunion – Po Box 1000 Chester, Pa 19022

Experian – Po Box 2104 Allen, Tx 75013

To remove your name from solicitation mailing lists, call the Direct Marketing List 'Opt-Out' number @ 888-567-8688. One call is valid for all bureaus. This is different from the 'Do Not Call' list.

Follow these tips, and you should be on your way to maintaining a good credit file!

Contact Lawyers Title Today!  
Customer Service 1-866-333-2626