

## **What is a FICO Score?**

A FICO Score or credit rating is a scoring method of determining the likelihood that credit users will pay their bills. Fair, Isaac and Co. (FICO) developed this in the late 1950s. Since then, the FICO score has been used widely as a reliable means for lenders and creditors to evaluate credit risks.

## **How are FICO Scores determined and used?**

Credit scores are calculated by using scoring models and mathematical tables that assign points to different data which best predict future credit performance. Credit scores analyze a borrower's credit history including:

- Late payments
- How long credit has existed
- Percentage of credit used vs. amount of available credit
- Negative credit history (e.g. bankruptcies, foreclosures, etc.)

## **How can you improve your FICO Score?**

- Pay your bills on time. Avoid any late payments.
- Limit credit applications. Too many credit inquiries are bad.
- Reduce existing balances on credit cards.
- Limited credit could negatively impact your score.

## **How can you check your credit score?**

Call any of the three major credit bureaus for a free credit report:

- Equifax                      1-800-685-1111
- Trans Union                1-800-916-8800
- Experian                     1-888-397-3742

If you suspect that there is an error on your report, contact the above credit bureaus to inquire about the nature of the problem and to seek resolution. Should your identity be stolen, notify the credit bureaus and your creditors immediately and ask them to place a fraud alert on all your accounts.