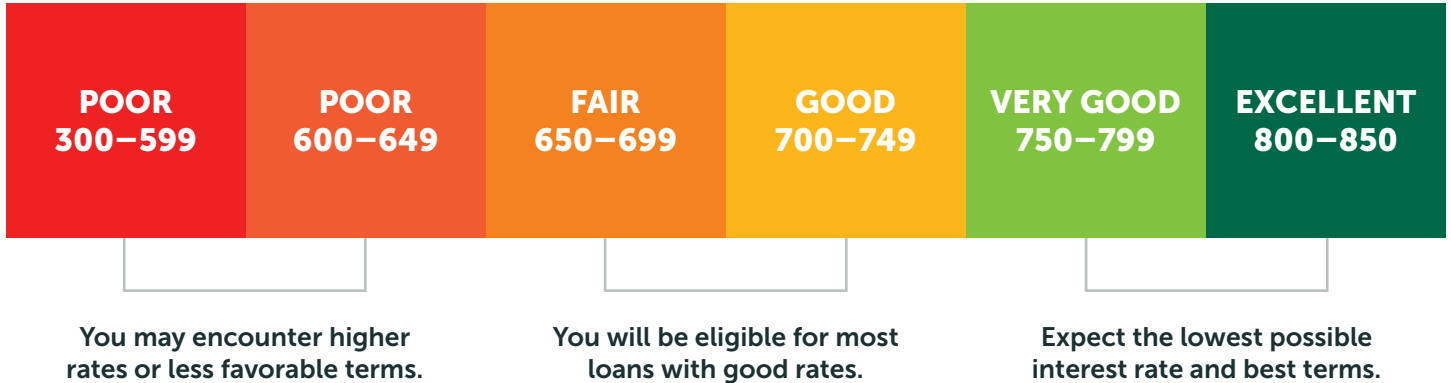


# YOUR Credit Score

Your credit score is a numerical representation of your statistical likelihood to repay the credit that is extended to you. A credit score is a snapshot of a specific moment in time but can and will change with new actions and the passage of time.



## CREDIT SCORE BREAKDOWN

### PAYMENT HISTORY = 35%

- On-time or late payments
- Length of positive credit history
- Severity & quantity of delinquencies

### AMOUNT OWED = 30%

- Too many credit cards with balances can lower a score.

### LENGTH OF CREDIT HISTORY = 15%

- The longer the history, the better
- How long have your credit accounts been established?
- How long has it been since you used certain accounts?

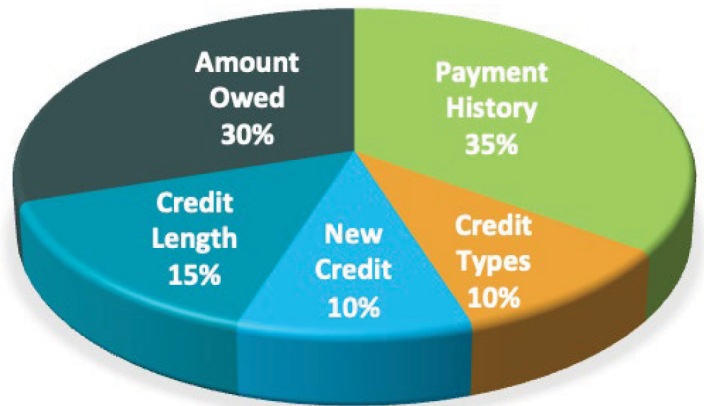
### NEW CREDIT = 10%

- Research shows that opening several credit accounts in a short period of time represents greater risk, especially for people who do not have a long established credit history.

### TYPES OF CREDIT IN USE (HEALTHY MIX) = 10%

*Example of ideal credit mix:*

- 2 installment loans
- 3 revolving accounts with balances
- Balances on revolving debt below 30% of the high credit amount
- No collection accounts
- No public records
- No foreclosures
- No late payments



# PRIORITY

MORTGAGE LENDING, INC.

NMLS #70708



# Maintaining Favorable **CREDIT SCORES**



**PRIORITY**

MORTGAGE LENDING, INC.  
NMLS #70708

## **1. MONITOR YOUR CREDIT.**

Order a copy of your free credit report from each of the three major bureaus annually from [www.annualcreditreport.com](http://www.annualcreditreport.com).

## **2. PAY ALL OF YOUR BILLS ON TIME OR EARLY.**

Even a 30-day late notice on a small credit card can have a significant negative impact on your scores.

## **3. DON'T COSIGN LOANS!**

Their late payments are your late payments and will negatively impact YOUR credit scores!

## **4. DON'T CLOSE OLD REVOLVING ACCOUNTS NO LONGER IN USE.**

It helps your scoring when accounts are open with zero balances.

## **5. DON'T OPEN NEW ACCOUNTS UNLESS ABSOLUTELY NECESSARY.**

Inquiries may or may not affect your score depending on the rest of your credit history.

## **6. REPORT FRAUD IMMEDIATELY.**

If you find yourself the victim of fraud, immediately contact the credit bureaus, your credit card companies, banks and the FTC at [www.ftc.gov](http://www.ftc.gov).

## **7. DO NOT EXTEND OR OPEN NEW CREDIT ACCOUNTS**

Don't open new accounts while in the mortgage application process to purchase or refinance a home.

