The BIG Score
Elements of your Credit Score
SUMMARY OF TOPICS

MAIN POINTS COVERED

Credit and Credit Score
FICO
The Big Three
Credit Score Makeup
The Five C’s
Balancing Your Score
Your Credit Report
If you don't take good care of your credit, then your credit won't take good care of you.

TYLER GREGORY
DEFINING CREDIT

CREDIT IS...

Trust given to another person for future payment of a balance, loan, or other financial obligation.
CREDIT SCORE

WHAT IT IS

A three digit number derived from data on a credit report that summarizes the entire US credit reporting system.

WHY IT IS IMPORTANT

It is a number that helps a lender predict how likely a person is to repay a loan, or make credit payments on time.
FAIR ISAAC CORPORATION

Most commonly used score. Scores are calculated with data from all three major credit bureaus.
THE BIG THREE

EQUIFAX
Credit scores range from 280–850.

EXPERIAN
Credit scores range from 300–850.

TRANSUNION
Credit scores range from 300–850.
CREDIT SCORE MAKEUP

FIVE ELEMENTS TO YOUR CREDIT SCORE

Character
Capacity
Capital
Collateral
Conditions
THE FIVE C'S

**CHARACTER**
Refers to credit history - a borrower's track record for repaying debts.

**CAPACITY**
The ability to repay a loan by comparing income against recurring debts.

**CAPITAL**
A large contribution by the borrower, such as a down payment, that decreases the chance of default.
THE FIVE C'S

COLLATORAL
The object one is borrowing the money for. Example: Auto loans are secured by cars; mortgages by homes.

CONDITIONS
Refers to how the borrower intends to use the money.
"Your credit score doesn't measure your wealth and success. It only measures your relationship with debt."
THE CREDIT REPORT

CREDIT INQUIRIES
Applications for credit - whether credit is approved or not.

OPEN LOANS
Current loans on your report that include the bank, amount borrowed, date you opened the loan, monthly payment amounts, and payment history.

OPEN REVOLVING ACCOUNTS
Credit cards - reporting data includes the bank, credit limit, date you opened the account, payment history, and balance on the account as of the last statement date.
THE CREDIT REPORT

CLOSED ACCOUNTS
Non-active accounts. These accounts can stay on your credit report even after it is closed for seven years.

COLLECTIONS ACCOUNTS
Delinquent accounts that have been sent to collectors. Bills that are sold to collections can also appear on your report.

PUBLIC RECORDS & COMMENTS
Includes tax liens, bankruptcy, and court judgments. However you have the ability to add comments to your credit report to explain records. Creditors can also add comments.
"My financial future will be brighter than my past."