

A 3D bar chart with a pen nib pointing upwards, symbolizing growth and achievement. The chart features a series of vertical bars of varying heights, colored in shades of green and yellow, set against a warm, golden background. A large, metallic pen nib is positioned diagonally across the chart, pointing towards the top right corner, as if writing or pointing to the data. The overall scene is illuminated with soft, warm light, creating a sense of optimism and success.

RAISE YOUR CREDIT SCORE 100 POINTS IN FORTY-FIVE DAYS

Steve Alonso, Senior Loan Officer
Academy Mortgage Corporation

WHAT MAKES UP A CREDIT SCORE?

- Payment History 35%
- Balances Carried 30%
- Credit History 15%
- Mix Of Accounts 10%
- Inquiries 10%



PAYMENT HISTORY – 35%

- Bills Paid As Agreed
- Most Recent 6 Months
- Highest Weight On Highest Pay History
 - Mortgage
 - Biggest Payment



BALANCES CARRIED – 30%

- Keep Balances As Low As Possible
- Outstanding Balance Versus Available Credit Affects Credit Score

For example:

<u>Credit Card</u>	<u>Balance</u>	<u>Available Credit</u>
Visa	\$10,000	\$10,000
Visa	\$0	\$10,000

- Leave Credit Card Balance As Is = Lower Credit Score
- Spread Balance Between Cards (\$5,000 each) = Higher Credit Score
- Mortgage / Installment Less Of Factor



CREDIT HISTORY – 15%

- Longer Credit History = Higher Credit Score
- Long Credit History Paid As Agreed / Positive Impact To Credit Score
- Never Close Credit Accounts - Especially If Long History – Or Negative Impact To Credit Score




MIX OF ACCOUNTS – 10%

- Ideal To Have Installment & Revolving Accounts
- Mortgage Loan
- Auto Loan
- 3 - 5 Credit Cards (More is OK too)
- HELOC Should Be Greater Than \$40K Or Will Report As Revolving Account Versus Mortgage



INQUIRIES - 10%

- Shopping Around?
Pull Multiple Reports For Mortgage and Auto 1 Inquiry Within 45 days (for each)
 - Each Inquiry Averages 5 Points
 - Only First 10 Inquiries Count Each Year
 - After 10, Will Not Affect Credit Score
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INQUIRIES THAT DO NOT HURT THE SCORE

- Job Related
- Insurance / Utilities
- Account Review
- Personal (www.annualcreditreport.com) and obtain free credit report)
- Promotional (pre-approved offers in the mail)




BLEMISHED CREDIT CAN BE COSTLY

- Low Credit Score = Higher Interest Rate
 - Mortgage Loans
 - Credit Cards
 - Auto Loans
 - Insurance Premiums



STEPS TO TAKE TO INCREASE CREDIT SCORE 100 POINTS

- Pay Past Due Accounts
 - Get Rid Of Late Payments
 - Have Credit Limits Increased
 - Do Not Close Old Accounts – Keep Active
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PAY PAST DUE ACCOUNTS

- Pay All Accounts That Are Past Due
- Past Due Accounts Can = 1 Day Late
- Severely Hurt Credit Score
- Past Due Accounts Do Not Include:
 - Judgements
 - Collection Accounts



HAVE LATE PAYMENTS REMOVED

- Phone Creditor And Request Late Payments Be Removed
 - Be Persistent – Work Your Way Up The Ladder
 - Always Get A Letter That Documents:
 - Name / Address / Account Number
 - Specific Late To Be Removed
 - On Company Letterhead / Signed By Employee
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INCREASE CREDIT LIMITS

- Every Six Months Request An Increase To Credit Limit On Credit Accounts
- Have Creditor Base Increase On Credit History
- If Creditor Must Pull Credit, Do Not Continue; Will Lower Credit Score



DO NOT CLOSE ACCOUNTS

- Keep All Accounts Open
- Use Old Accounts Periodically – Charge Small Amount - Pay off Immediately
- Closing Accounts With A Long Credit History Will Hurt Credit Score



SUMMARY

- Borrow When You Do Not Need It
- Keep Balance To Limit Ratio Low
- When Creditor Removes Late And Provides Letter – Use Credit Rescore
- Never Payoff A Collection / Judgment When Applying For A Mortgage Loan
- Increasing Credit Score By 10 Points = Interest Savings of \$100,000 Over 30 Years (\$500K Mortgage Loan)

