

# Understanding a Credit Score

## How Solid is Your Credit Score?

730 – 830 – Very Strong Credit  
680 – 729 – Strong Credit  
640 – 679 – Good Credit  
600 – 639 – Fair Credit  
550 – 599 – Poor Credit  
549 & below – Very Poor Credit

## What Makes Up Your Credit Score?

35% = Based on payment history. Are bills paid on time? Are there delinquencies?  
More weight is given to current pay history.

30% = Your credit utilization ratio. Your total revolving credit balances compared to the total of all your revolving credit limits.

15% = Length of credit

10% = New debt in the last 12-18 months  
Including # of inquiries and account opening dates

10% = Mix of credit  
Installment (can raise) vs. revolving (can lower)  
Finance company loans can lower your score.

## What Actions Will Hurt Your Score?

- Late or missing payments, even small amounts. It can take 24 months to restore credit with one late payment.
- Maxing out credit cards. You want to spend less than your credit limit.
- Shopping for credit excessively.
- Opening up several new accounts in a short time period.
- More revolving debts in relation to installment debt can negatively impact your score.
- Closing unused credit cards could lower your capacity.

## How Can You Improve Your Score?

- Pay off or pay down your credit cards.
- Leave unused credit cards at \$0 balance to avoid decreasing capacity.
- Consolidate revolving debt into installment debt.
- Continue to make payments on time (older late pays will become less significant with time.)
- Slow down on opening new accounts.

**Questions? We are here to help!**

Call our Member Contact Center at (877) 937-2328.



**right here** right for you

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