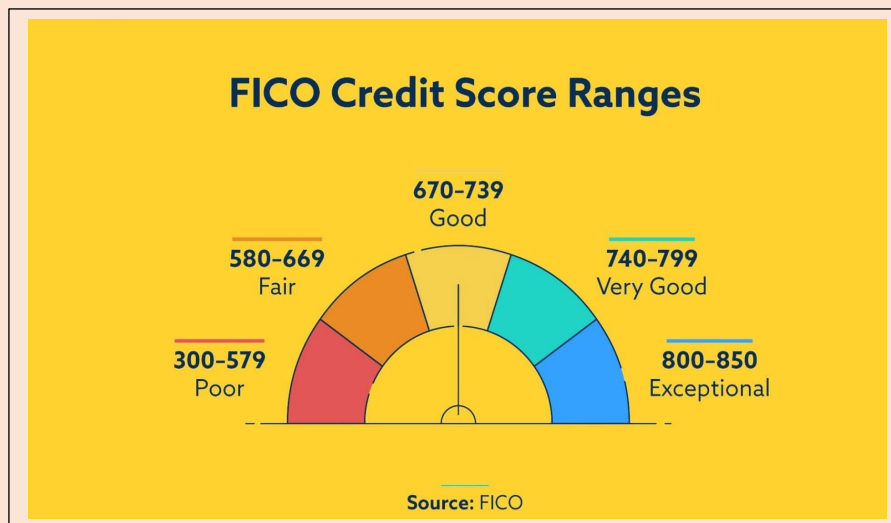


# Credit Score Basics



As a young adult, it will be imperative to begin building up your Credit. Building up your credit will help you greatly in the future when applying for a mortgage, car loan, student loan, and many other things!

It is as easy as applying for one or two credit cards and using them every now and again.

It is quite easy to check your credit score online through a free services or through your credit card provider (Apps).

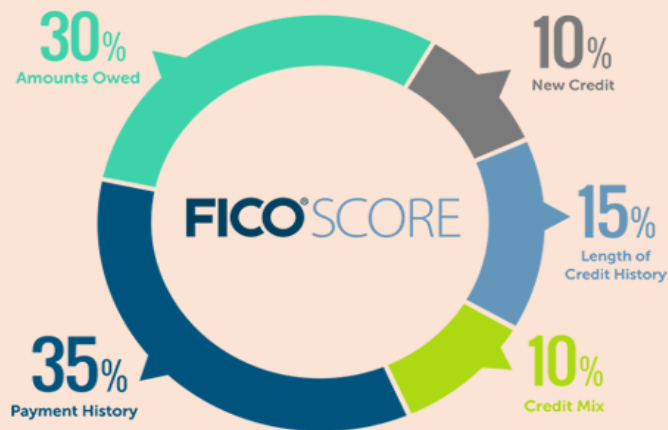
It is important to keep your credit frozen through the three Credit Bureaus when you are not applying for new credit to prevent from potential credit fraud.

Get free Credit Report from all three Credit Bureaus at: [www.annualcreditreport.com](http://www.annualcreditreport.com)

- Equifax
- Experian
- Transunion



## What components make up your Credit Score?



### Payment history (35%)

The first thing any lender wants to know is whether you've paid past credit accounts on time. This helps a lender figure out the amount of risk it will take on when extending credit. This is the most important factor in a FICO Score!!!

### Amounts owed (30%)

Using a lot of your available credit may indicate that you are overextended—and banks can interpret this to mean that you are at a higher risk of defaulting.

### Length of credit history (15%)

Your FICO Scores take into account:

- How long your credit accounts have been established?
- How long specific credit accounts have been established?
- How long it has been since you used certain accounts?

### Credit mix (10%)

FICO Scores will consider your mix of credit cards, retail accounts, installment loans, finance company accounts and mortgage loans.

### New credit (10%)

Research shows that opening several credit accounts in a short amount of time represents a greater risk—especially for people who don't have a long credit history.

