

THE FIRST STEP FOR YOUR HOME BUYERS: **KNOWING THEIR FICO® SCORES**



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my**SCOREIQ**®



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Helping clients prepare for home ownership starts with one important factor – their credit score. But pulling a once-a-year credit report and score from a free site might not provide your clients with the information they need to begin making their home-buying dreams a reality.

Potential home owners need to be actively monitoring their credit report and their credit scores from all three major credit bureaus – Experian, Equifax and TransUnion. Also, they should know what credit score model their lender is using. According to Fair Isaac Corp., 90% of top lenders use FICO® Scores.

Anatomy of a Credit Score

Educating your clients on the components of FICO® Scores can help put them on the path toward their home-buying goals. This knowledge can also help prepare them to qualify for a loan for that perfect home as well as save them hundreds of dollars each month on their mortgage and tens of thousands of dollars more over the lifetime their loan.

FICO® Scores range from 300 to 850 and are used to determine a person's credit risk. The higher the score the lower a lender may determine his or her credit risk.

FICO® Scores

Very poor credit	300 – 579
Fair credit	580 – 669
Good credit	670 – 739
Very good credit	740 – 799
Excellent credit	800 – 850



Credit Score Factors

To determine FICO® Scores, a model calculates different factors of an individual's credit data. This data includes:



PAYMENT HISTORY

One of the most important factors in FICO® Scores is payment history. This category shows lenders if payments to past credit accounts have been made on time.



AMOUNTS OWED

The amount of debt owed is another key factor in determining a FICO® Score. The closer a person is to his or her credit limit the more risk there might be for defaulting.



LENGTH OF CREDIT HISTORY

While this can vary and a person with a short credit history can have a high FICO® Score, usually, the longer the credit history the better.



CREDIT MIX

The different types of credit accounts that make up a credit file is called a credit mix. Having a variety of loans might positively affect FICO® Scores, however the impact is usually not substantial.



NEW CREDIT

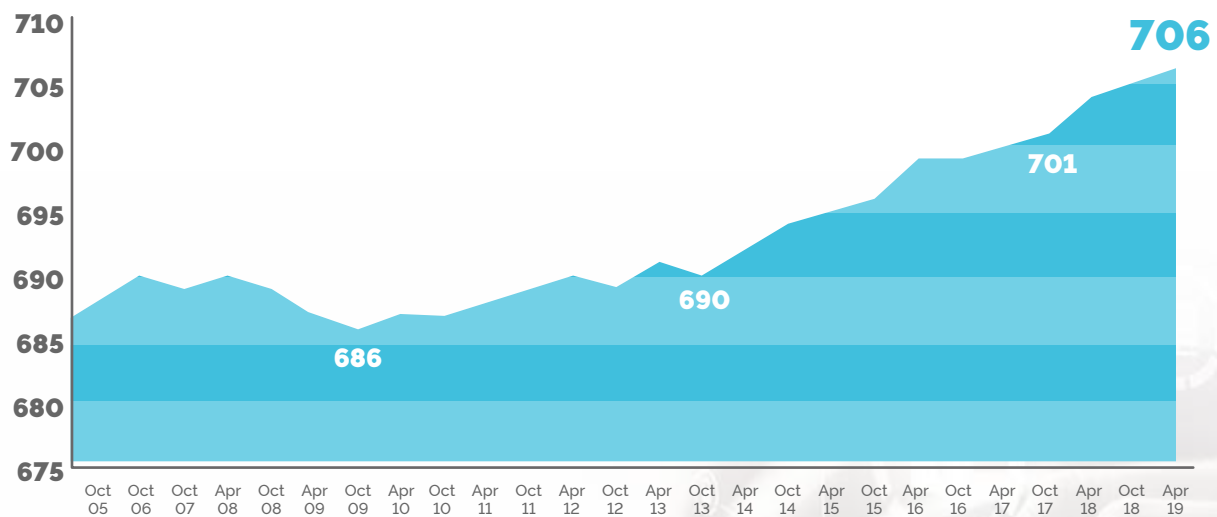
The amount of new credit in a credit file also can impact FICO® Scores. Opening too many new accounts in a short span of time can have a negative effect.



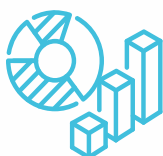
An All-Time High Average Credit Score

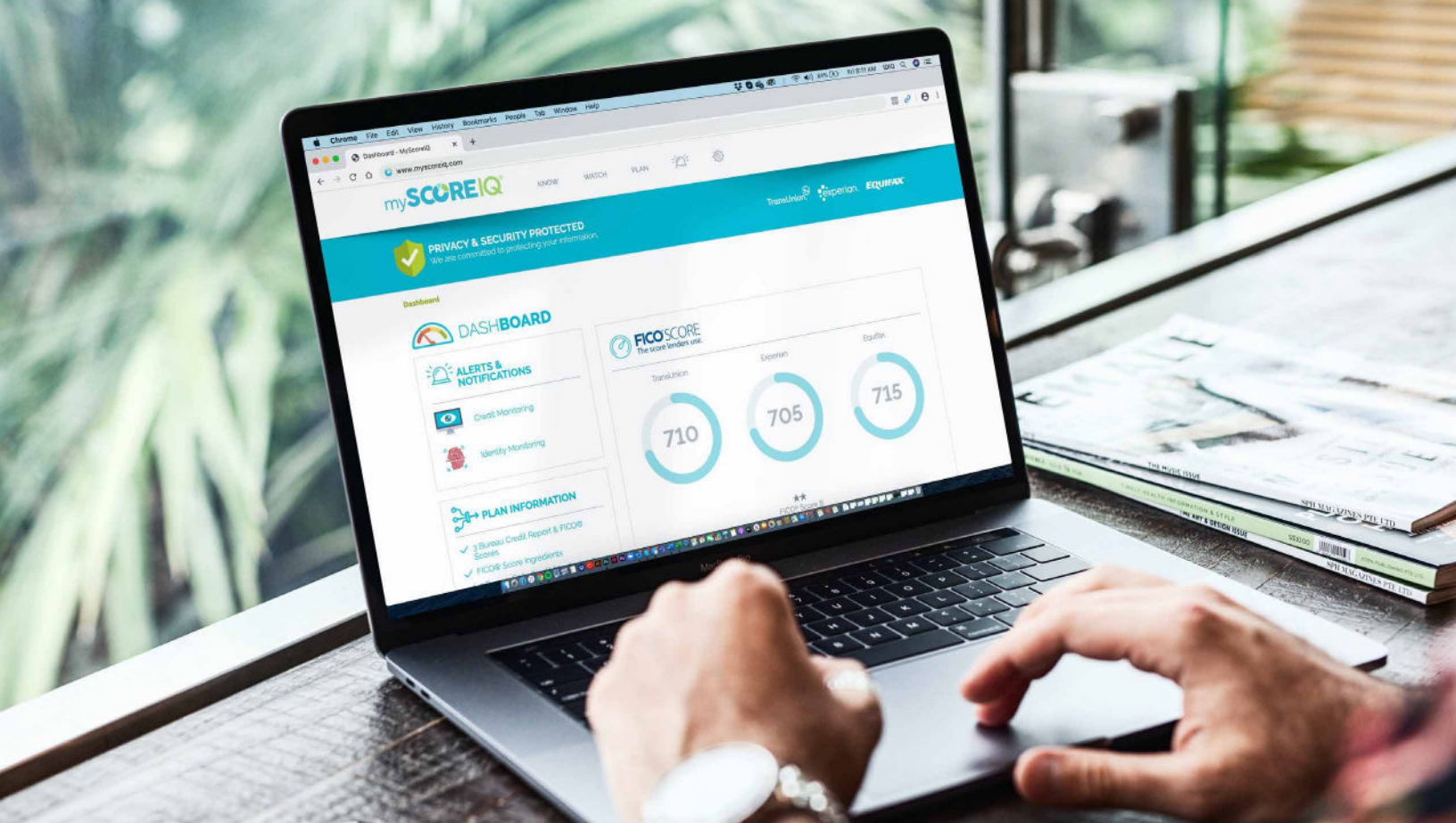
FICO® has reported for the first time the national average credit score has reached 706. This all-time high score falls into the “good” category and can make it easier for potential home buyers who fall into this category to qualify for a home loan.

The average FICO® Score has been steadily increasing since it plummeted to a low of 686 during the housing crisis more than a decade ago. The recent peak of 706 peak means more potential home buyers can take their first step to achieving their goal.



SOURCES: FICO®





The Solution

Help potential home buyers have the resources they need to start a successful search for their new home. The most important resource to begin that process is finding a credit report monitoring service that

actively monitors their credit report and offers the most up-to-date FICO® Scores. Now your clients can work toward their home-ownership goals.

About MyScoreIQ

Offered by IDIQ®, MyScoreIQ® services provide credit report monitoring with the value of FICO® Scores and the added benefit of and identity theft protection. An industry leader, MyScoreIQ services have been named

to the Inc. 5000 list of the fastest-growing companies in the United States by "Inc." magazine and "50 Most Valuable Brands of the Year" by "The Silicon Review". For more information, visit MyScoreIQ.com.

SOURCE: FICO®

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