



# Understanding And Improving Improving Your Credit Score

60 Minutes Video - <https://www.youtube.com/watch?v=-CrKR3ffA7s>

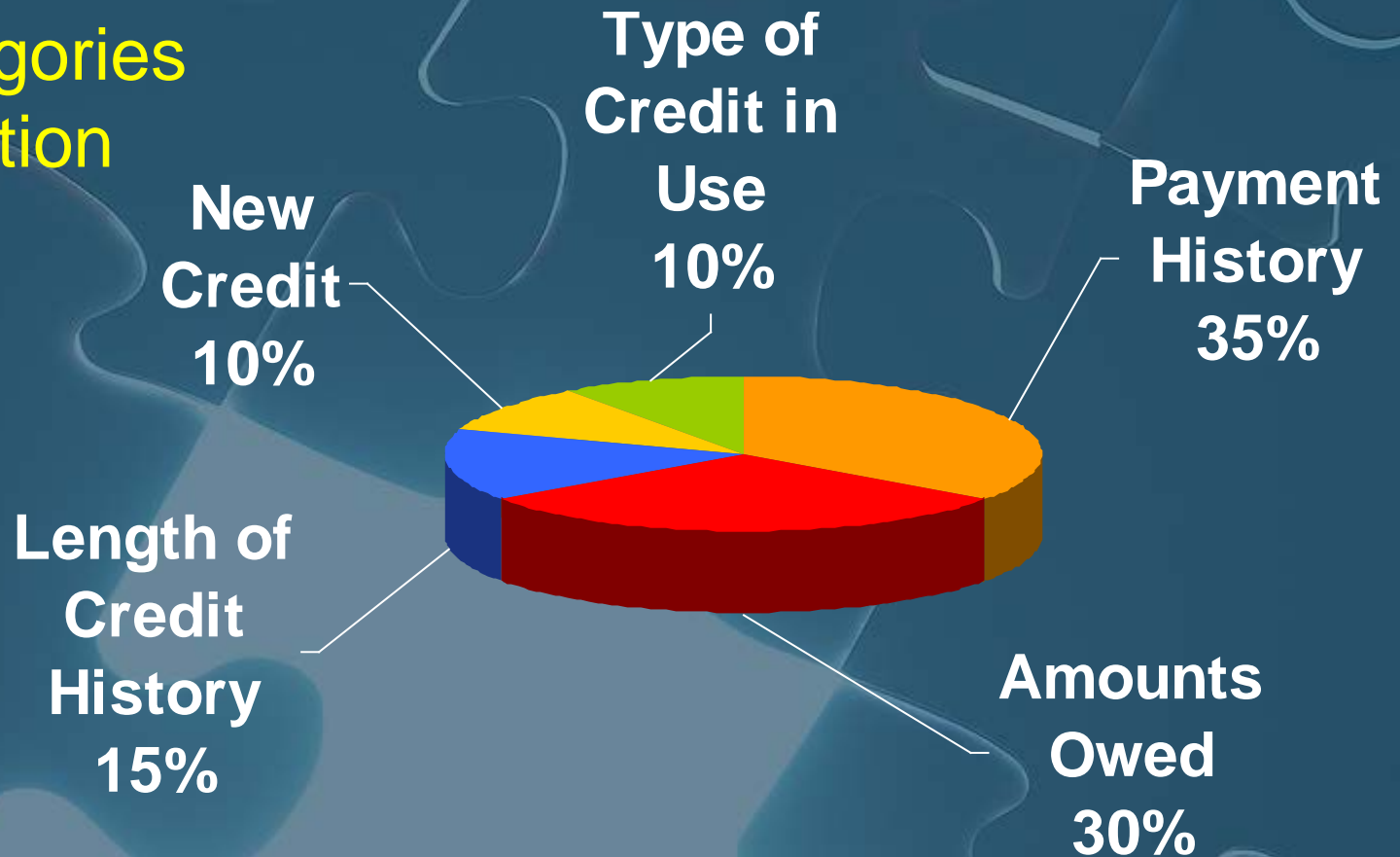



# What is a credit score?

- In the early 1980s the 3 major credit bureaus **Experian**, **Equifax**, and **Trans Union**, worked with **Fair Isaac** to come up with a method for determining credit risk called **FICO score**
- Your FICO or **credit score** determines the risk a company has in loaning you money, giving you a credit card, or allowing you to make payments over time for a purchase
- The higher the score, the lower your risk

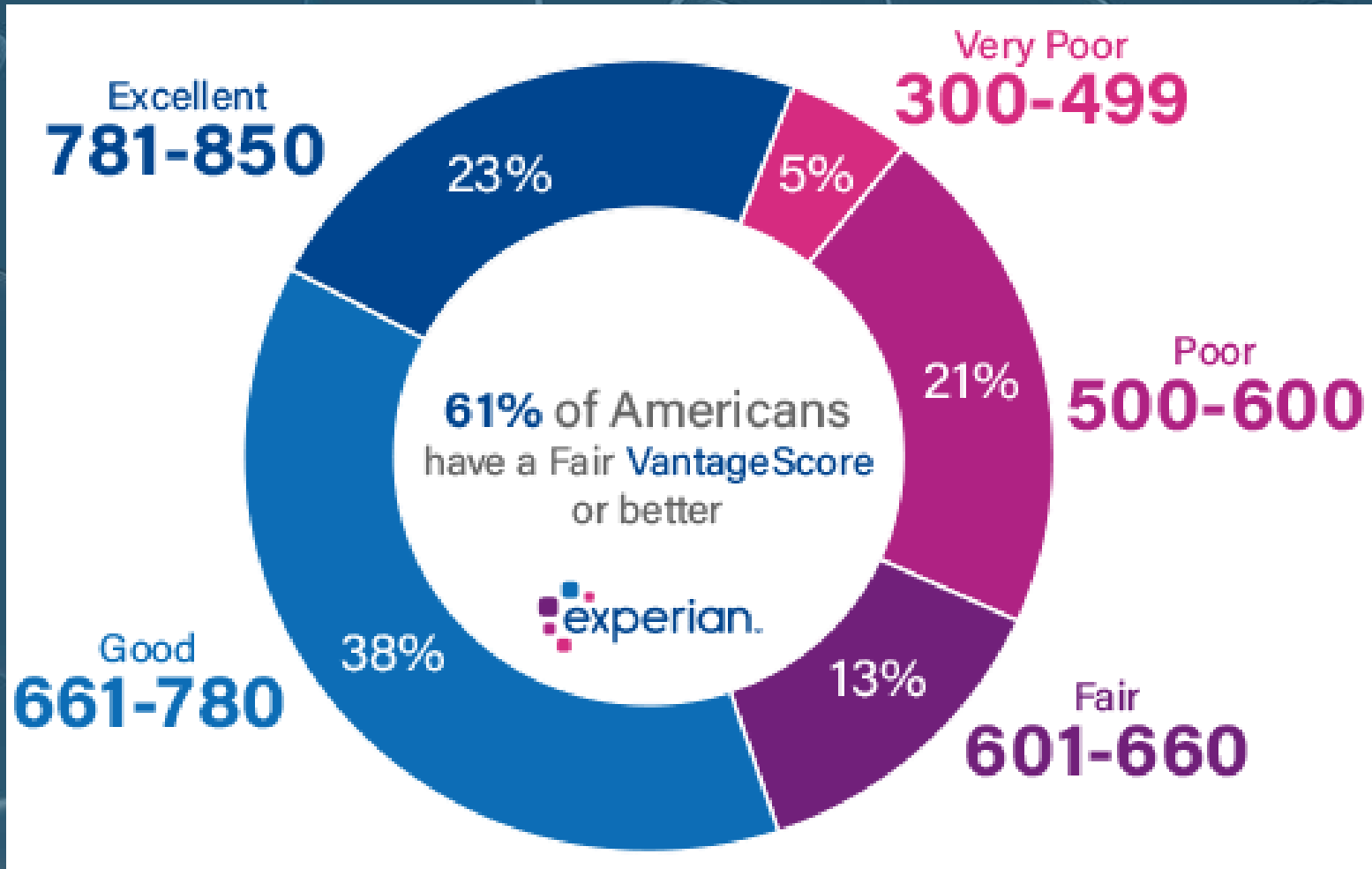
# What makes up a credit score?

There are 5 main categories of information that FICO scores evaluate:





# FICO (Credit) Score Levels





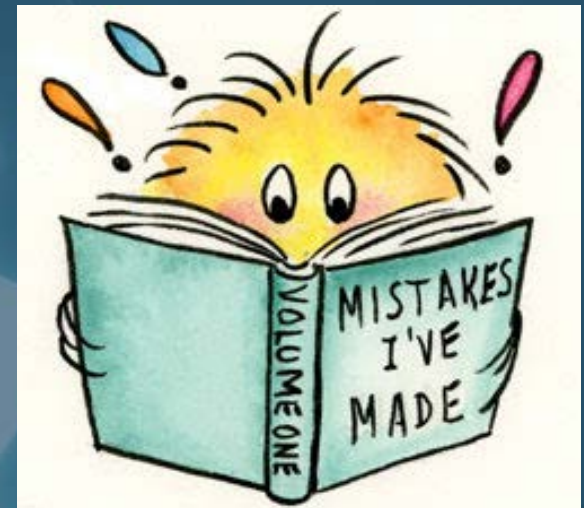
# How does your address affect your credit score?

- Addresses for 3 years or more
- **Zip code disadvantage**, especially anything with **Heights**
- **Zip code advantage** up to **200 points** (i.e., Bethesda, Great Falls, McClean, Foxhall, Chevy Chase, Potomac)
- **Zip code medium** up to **100 points**, (i.e., Ft. Washington or Bowie)



# What are common credit score mistakes?

- Mixed or merged files
- Names such as “also known as” or “formerly known as”
- Previous addresses
- Previous employers
- Previous phone numbers






# New Equifax Guidelines

In **2021** the biggest shift in thirty years is coming for **calculating FICO scores**






# What you should do to improve your credit score

- Order your **LexisNexis** report at **[consumer.risk.lexisnexis.com](http://consumer.risk.lexisnexis.com)**
- Order your free credit reports from **Equifax, Experian** and **TransUnion**
- Delete historic information like **previous names, addresses, employers, and old accounts**





# What you should do to improve your credit score

- **Review** all your information and accounts to ensure accuracy
- To keep your identify from being stolen, **don't get on Credit Karma or Facebook.** Your personal information can easily be found!
- **Dispute** inaccurate information



# Making A Dispute Online

Be careful when disputing online. You are given a canned response which can create problems long-term! Also, the Credit Bureau may be adding a very sneaky clause!



If you need professional help call  
**Jerry Burton** on **301-860-0122**



# Statute of Limitations

- All creditors have a **statute of limitations**, which is how long they can legally attempt to collect a debt
- There is no statute of limitations on:
  - Federal Student Loans
  - Most types of fines
  - Past due child support
  - Taxes and tax liens

# Questions

