

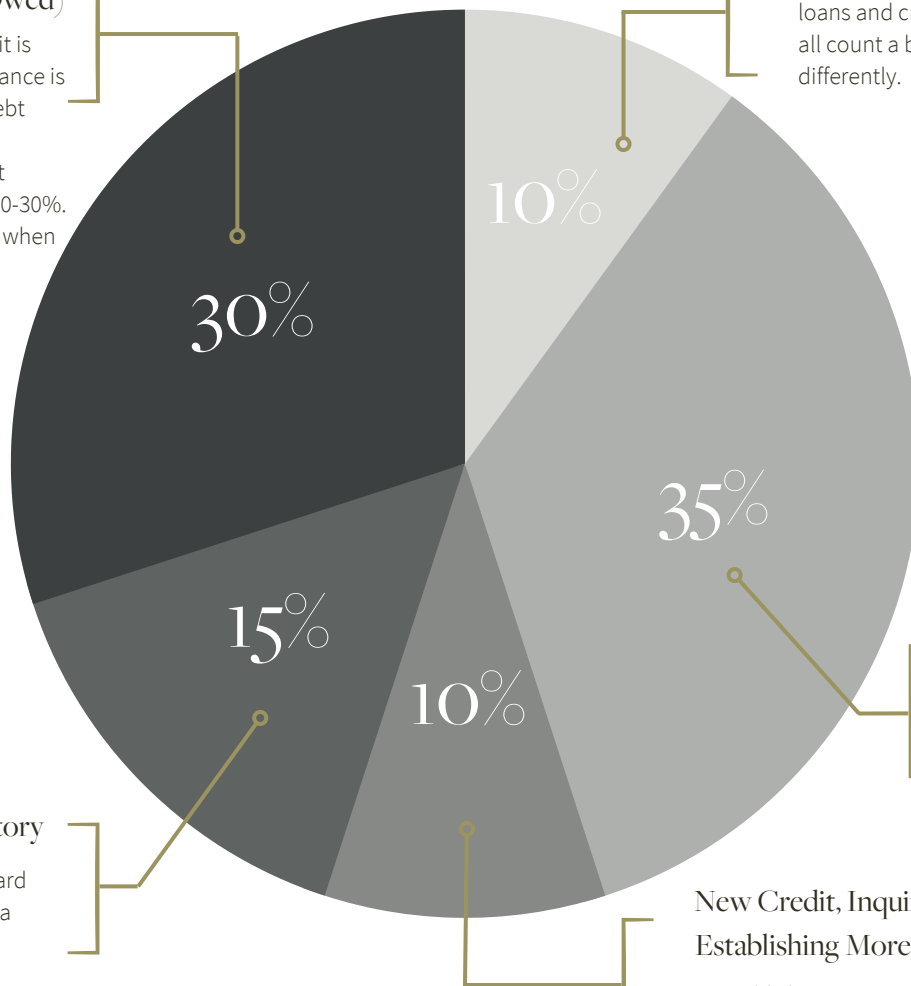
CREDIT SCORE MAKE UP

Debt Utilization (Amount of Credit Owed)

- Ex: If your credit limit is \$6,000 and your balance is \$2,000, then your debt utilization is 33%.
- Goal should be debt utilization between 0-30%.
- Increase your limits when you can.

Type of Credit

- Car, home, and furniture loans and credit cards all count a bit differently.



Payment History

- On-time payments increase your score; late payments reduce your score.

Length of Credit History

- If you have a credit card from when you were a teenager, keep it!

New Credit, Inquiries, or Establishing More Credit

- Establishing new credit versus shopping for mortgages is viewed differently.

BEST WAYS TO ACQUIRE A HIGH CREDIT SCORE

- 2 installment loans (e.g., automobile loans) with balances
- 3 revolving accounts (e.g., credit cards) with balances below 30% of the limits
- No collections, late payments, or public records
- Accounts with long payment history and no balance

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