

# Credit Score Reference Sheet

Quick guide to understanding and improving your credit score

## Credit Score Ranges (FICO)

Poor	Fair	Good	Excellent
300	580	670	740

850

## The 5 Factors That Determine Your Score

35%

### Payment History

Your record of on-time vs. late payments. Most important factor!

30%

### Credit Utilization

Percentage of available credit you're using. Keep below 30%.

15%

### Length of Credit History

How long you've had credit accounts. Older is better.

10%

### Credit Mix

Variety of credit types (cards, loans, mortgage).

10%

### New Credit

Recent credit applications. Too many hurts your score.

### **Actions That HELP Your Score**

- Pay all bills on time, every time
- Keep credit card balances low (<30%)
- Keep old accounts open
- Become an authorized user on a good account
- Mix of credit types (cards + installment loans)
- Check your report for errors
- Set up automatic payments

### **Actions That HURT Your Score**

- Late payments (30+ days)
- Maxing out credit cards
- Applying for too much credit at once
- Closing oldest credit cards
- Collections or charge-offs
- Bankruptcy or foreclosure
- Only having one type of credit

### **The Three Credit Bureaus**

**Equifax**

[equifax.com](http://equifax.com)

**Experian**

[experian.com](http://experian.com)

**TransUnion**

[transunion.com](http://transunion.com)

Get free reports annually at [AnnualCreditReport.com](http://AnnualCreditReport.com)

### **Real-World Impact of Your Credit Score**

### **Loan Interest Rates**

750 score: 4% APR

650 score: 8% APR

On \$25K car loan = \$2,600 difference!

### **Renting an Apartment**

Landlords check credit. Low scores may require larger deposits or co-signers.

### **Insurance Premiums**

Many insurers use credit-based scores. Poor credit = higher premiums.

### **Employment**

Some employers check credit for positions involving money or security.

### **Utility Deposits**

Good credit may waive deposits for electric, gas, or phone services.

### **Credit Card Offers**

Best rewards cards require excellent credit (740+).

## **Top Strategies to Build/Improve Credit**

### **1 Set Up Autopay**

Never miss a payment - the #1 factor in your score.

### **2 Use <30% of Credit**

If you have \$1,000 limit, keep balance under \$300.

### **3 Keep Old Accounts Open**

Even if you don't use them, they help your history.

### **4 Become Authorized User**

Ask parent/guardian to add you to their good account.

### **5 Start with Secured Card**

Deposit becomes your limit; good for beginners.

### **6 Check Report for Errors**

Dispute any mistakes with the credit bureaus.

### **7 Limit Hard Inquiries**

Only apply for credit you really need.

### **8 Pay Before Statement**

Low balance when reported = lower utilization.

## Common Credit Score Myths

**MYTH:** Checking your own credit hurts your score.

**FACT:** Checking your own score is a "soft inquiry" and doesn't affect it.

**MYTH:** You need to carry a balance to build credit.

**FACT:** Paying in full each month is better - shows responsibility, avoids interest.

**MYTH:** Closing old cards improves your score.

**FACT:** Closing cards reduces credit history length and increases utilization.

**MYTH:** Income affects your credit score.

**FACT:** Income isn't a factor - only how you manage credit matters.

**MYTH:** All credit inquiries hurt your score equally.

**FACT:** Rate shopping for mortgages/auto within 14-45 days counts as one inquiry.

## Quick Reference: Key Numbers to Remember

**30%**

Maximum utilization to maintain

**35%**

Weight of payment history

**7 Years**

Late payments stay on report

**740+**

Score for best interest rates

**10 Years**

Bankruptcy stays on report

**1x/Year**

Free credit report from each bureau

PFL Academy - Chapter 23: Understanding Credit Scores

Your credit score is built over time through consistent, responsible financial behavior. Start building good habits now!