



Certified Credit

Presents:

“SCORE MAGIC”

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SCORE MODELS

Mortgage (FICO)

- Equifax / Facta Beacon 5.0
- Transunion / FICO Classic (04)
- Experian / Fair Issac (Version 2)

Consumer

- Freecreditscore.com
 - Triplescore.com
- Annualcreditreport.com
- Credit Bureaus / Vantage Score

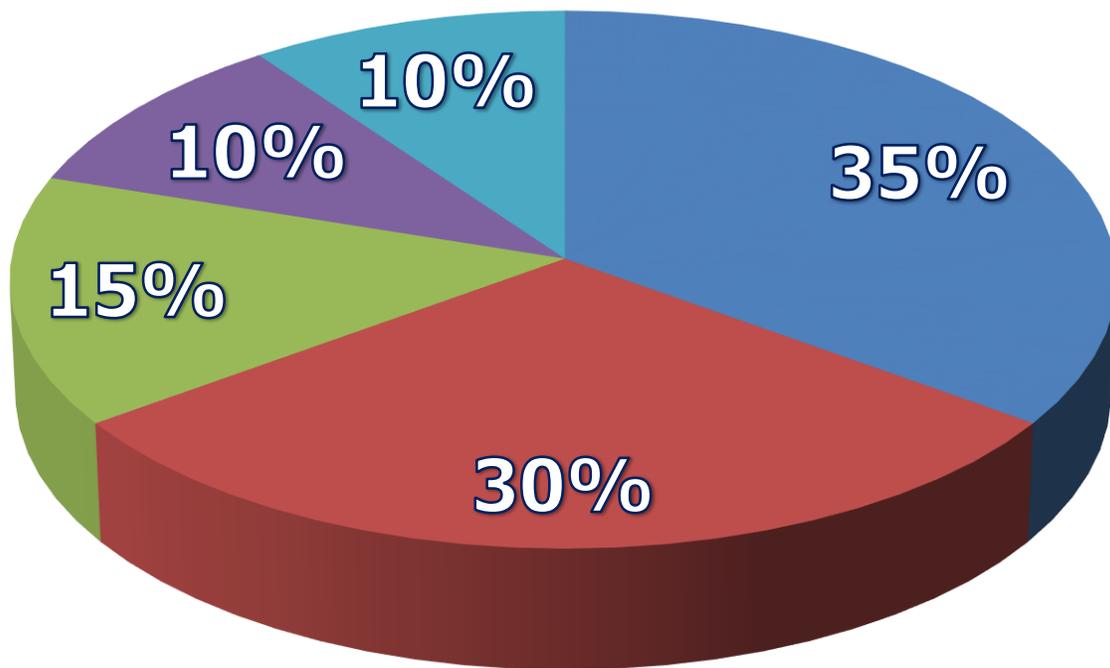
Auto

Insurance

Bankruptcy

Fraud

What's in your FICO score?



- Payment History - 35%
- Amounts Owed - 30%
- Length of Credit History - 15%
- Credit Use - 10%
- New Credit - 10%

Partial Credit Bureau Scorecard

Characteristics	Attributes	Points
Number of bank credit cards	0	15
	1	22
	2	[30]
	3	40*
	4 or more	30
Number of inquiries last month	0	75*
	1	55
	2 or more	[40]
Number of months on file	Below 12	12
	12 to 23	[35]
	24 to 47	60
	48 or more	75*
Number of months since most recent bank card opening	No bank cards	32
	Bank card, not open date	40
	0 to 5	[20]
	6 to 11	25
	12 to 17	30
	18 to 23	38
	24 or more	45*
Number of months since most recent derogatory public record	No public record	[75*]
	0 to 5	10
	6 to 11	15
	12 to 23	25
	24 or more	49

* Represents the maximum points possible

[] Score represents the actual points received

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Damage Points:

How Mistakes Affect FICO

Credit Mistake	If your score is 680...	If your score is 780...
Maxed-Out Card	Down 10 to 30 points	Down 25 to 45 points
30-Day Late Payment	Down 60 to 80 points	Down 90 to 110 points
Debt Settlement	Down 45 to 65 points	Down 140 to 160 points
Foreclosure	Down 85 to 105 points	Down 140 to 160 points
Bankruptcy	Down 130 to 150 points	Down 220 to 240 points

Source: FICO

Credit Q & A:

Q: How long will a foreclosure affect my FICO score?

A: A foreclosure remains on your credit report for 7 years, but its impact to your FICO® score will lessen over time. While a foreclosure is considered a very negative event by your FICO score, it's a common misconception that it will ruin your score for a very long time. In fact, if you keep all of your other credit obligations in good standing, your FICO score can begin to rebound in as little as 2 years. The important thing to keep in mind is that a foreclosure is a single negative item, and if you keep this item isolated, it will be much less damaging to your FICO score than if you had a foreclosure in addition to defaulting on other credit obligations.

Q: Are the alternatives to foreclosure any better as far as my FICO score is concerned?

A: The common alternatives to foreclosure, such as short sales, and deeds-in-lieu of foreclosure are all "not paid as agreed" accounts, and considered the same by your FICO® score. This is not to say that these may not be better options for you from a financial perspective, just that they will be considered no better or worse for your FICO score.

If you are considering bankruptcy as an alternative to foreclosure, that may have a greater impact to your FICO score. While a foreclosure is a single account that you default on, declaring bankruptcy has the opportunity to affect multiple accounts and therefore has potential to have a greater negative impact on your FICO score.

Credit Score 101

Collections: Remain 7 years from date of initial missed payment that led to collection. Paid collections are simply marked as such on report.

Charge-off: Remain 7 years from date of initial missed payment that led to charge-off, even if parameters are later made on the charged-off account.

Closed accounts: These are no longer available for further use. They may or may not have \$0 balance. Those with delinquencies remain 7 years from date closed, whether by consumer or creditor. Positive closed accounts remain 10 years.

Lost credit card: If no delinquencies, those reported lost will continue to be listed for 2 years from date card reported lost. Delinquent payments that occurred before the card was lost will report for 7 years.

Bankruptcy: Ch 7, 11 and 12 remain for 10 years from filing date. Ch 13 remains 7 years from filing date. Accounts included will also remain for 7 years.

City, County, State and Federal tax liens:

Unpaid tax liens will remain 15 years from filing date.

Paid tax liens will remain 7 years from paid date of lien.

FAQ's

Q: Does my score determine whether or not I get a loan?

A: We use a variety of facts to make a lending decision. Your income, employment history, prior housing experience and assets play a vital role in credit approval. Also considered are current lending policies and the type of loan applied for.

Q: Will my score drop if I apply for a new loan?

A: According to MyFICO.com, credit inquiries make up 10% of your score. Everything is relative in credit scoring. So, if you are already struggling with a lower score, inquiries will have more of an impact. If your credit history is shorter, inquiries will have more of an impact. Most credit scores are not affected by multiple inquiries from auto or mortgage lenders within a short period of time. Typically, these are treated as a single inquiry and will have little impact on the score, if done within 30 days.

Q: Will a poor score ever go away?

A: Your score will change gradually as a result of how you handle your credit. A score is just a snap shot and will change gradually with time and as you open and close accounts. Bankruptcies, collections, charge offs and tax liens do eventually fall off in 8-15 years respectively. That is 8-15 years of absolutely no contact with you. If there is contact or the debt is sold, the process can start over based on the new date of last activity.

Q: Can I get a mortgage loan after a bankruptcy?

A: Yes you can! Each individual circumstance must be evaluated, but lenders do allow a mortgage loan after a bankruptcy as long as the bankruptcy is discharged a minimum of two years and the circumstances causing the bankruptcy are not likely to occur again. There are no contingencies in some cases including an extended waiting period of four years, third party documentation of the cause of credit problems and re-established credit. You should call us to discuss your individual situation.

Q: Is credit scoring unfair to minorities?

A: According to MyFICO.com, scoring considers only credit-related information. Factors such as race, gender, nationality and marital status are not included. The Equal Credit Opportunity Act prohibits lenders from considering this type of information when issuing credit.

Credit Bureau Information

EQUIFAX

P.O. Box 740241

Atlanta, GA 30374

(800) 685-1111

www.equifax.com

TRANS UNION

P.O. Box 1000

Chester, PA 19016

(800) 888-4213

www.transunion.com

EXPERIAN

P.O. Box 2002

Allen, TX 75013

(888) 397-3742

www.experian.com

OTHER HELPFUL CREDIT WEBSITES

www.annualcreditreport.com

(877) 322-8228

www.optoutprescreen.com

(888) 567-8688

www.donotcall.gov

(888) 382-1222

www.myfico.com

www.credit.com

www.ftc.gov/credit

www.certifiedcredit.com