Scoring Your Perfect Home

The link between credit score and finding a home that works for you.

FICO and the 5 Key Components of Credit There are different credit scoring systems out there, but the most common is called FICO. Your score is calculated based on your credit report, with different 35% info categories having their own level of importance. Knowing how you've scored is the first step towards the house of your dreams! Payment History – 35% Making payments on time goes a long way to increasing your score. **Debt Capacity - 30%** Using most of your available credit doesn't send a good signal, but paying off 30% your cards can offer a boost! **Length of Credit History – 15%** Longer is usually better, but not required for a good score. Credit Mix - 10% 15% A wide variety of credit types can have a helpful impact! New Credit - 10% 10% Opening too many lines of new credit, and doing it too quickly, can look risky to lenders. 10% Source: myFICO via https://www.myfico.com/credit-education/whats-in-your-credit-score

Checking Your Report

There are three national credit bureaus: Equifax, Experian, and TransUnion. Each are required to provide you a free copy of your credit report every 12 months, and you can get all three of them at the same place: **https://www.annualcreditreport.com**. You don't have to get them all at once, either—you can stagger the reports throughout the year.

We also offer a helpful tool for credit score insight: SavvyMoney. It's now a part of our online banking and mobile app, so staying up to date is easy. Your SavvyMoney score may differ from what official agencies use to judge your mortgage.

It's important to check your score and reports regularly! You'll want to make sure that everything accurately reflects your responsible borrowing habits. If you do notice errors on your report, you can contact the agency it came from to dispute the incorrect info. This can be done on the agency website, over the phone, or via mail. Visit their websites for more info:

https://www.equifax.com

https://www.experian.com

https://www.transunion.com



Learn more at cfcu.org/mortgage

Make sure you opt out of prescreened offers and add your number to the "do not call" list when you apply for a mortgage. Otherwise, expect your phone to be ringing off the hook!