

# The Importance of Your Credit Score

**Most mortgage lenders use a FICO credit score as a tool to make an informed decision on how likely you are to pay back your home loan. The higher your score range the more likely you pay your bills on time and manage your finances responsibly.**

## What are the FICO Score ranges?



Expect the lowest possible interest rates and best terms.

You will be eligible for most loans with good rates.

Only secured loans are given for people in this range.

## Steps to get and keep a good credit score

**Check Your Credit Report** – If you haven't already done so, request a free copy of your credit report from one (or all) of the three major credit bureaus - TransUnion, Equifax, & Experian - and review it for errors. You can get the reports once every 12 months from [annualcreditreport.com](http://annualcreditreport.com).

**Setup Payment Reminders** – Making your credit payments on time is one of the biggest positive contributing factors to your credit scores. Some banks, including Ixonia Bank, offer payment reminders through their online banking portals that can send you an email or text message reminding you when a payment is due. If you have missed payments, get current and stay current.

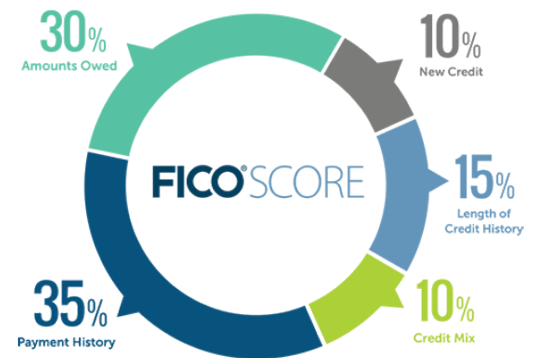
**Keep balances low** – High outstanding debt can affect a credit score, so make sure to keep your balances low on credit cards and other "revolving credit."

## Other Factors to Consider About Your Overall Credit

- Your FICO Score is only one part of what a lender considers when judging credit-worthiness.
- Your FICO Score does not factor in income, length of employment, alimony or child support payments, and other things that lenders will typically consider.
- Having little payment history, or having only new credit can result in a lower FICO Score. It is not always from missed payments or maxed-out credit cards.

## How a FICO Score is calculated

Your FICO Scores consider both positive and negative information in your credit report. The percentages in the chart to the right reflect how important each of the categories is in determining how your FICO Scores are calculated.



Helping *You* Succeed