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## FYI - Your FICO Credit Scores & Credit Reports

As part of your loan application we'll run a credit report on you unless after your review of the following information you decide to provide us with one from the source indicated.

The following are known facts about credit reports and credit scores:

- Every prospective lender wants to see your credit reports
- Every prospective lender wants to know your credit scores
- There are 3 National Credit Bureaus; TransUnion - Experian - Equifax
- Each one of these 3 has a credit score generated and accompanies their credit report
- The 3 scores are usually not exactly the same
- The scores are usually different because the contents of the 3 reports are different
- The score calculation is all done by same software program, written by FairIsaac Company
- Credit scores are adversely affected by number of inquiries
- The more the number of inquiries on your credit report, the lower your scores will become
- You are curious what appears on your 3 reports and what your 3 scores are
- And since you don't know which repository will be used at the lender's end, you want the 3 + 3
- You want to get all 3 credit reports and the 3 corresponding scores

The good news is that your scores will not be affected at all if YOU order a report on YOU

And should there be a mistake on your credit report, you'll have the chance to correct them or at least dispute or explain them

And there are legitimate means that you can use to raise your scores

And when you start shopping for a loan and you are asked about your credit status and your scores, you could provide a copy for the initial review and avoid the adverse effect on your scores caused by an additional inquiry

By law the 3 repositories are required to give you a copy of your credit report at no charge once every 12 months. But scores don't come free; they cost extra

[www.annualcreditreport.com](http://www.annualcreditreport.com) is the web site that the 3 repositories have set up to do that

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So much for the free stuff! The inventor / innovator of the scoring system is "FairIsaac" Company. It's a program, a software program that "FairIsaac" Company wrote, produced, and that deserves the credit (or blame!) for the scoring system. FairIsaac is an independent company. They have a web site and they sell to you some products [www.MyFico.com](http://www.MyFico.com). You'll get the most bangs for the buck by purchasing their "FICO Credit Complete", it's a 3 + 3, all 3 credit reports and all 3 credit scores. It costs about \$50 and if you are in the market to get a loan or have had some credit issues in the past or present it's worth the expense. You may save the

credit reports that you purchase on your computer's hard drive; you could then send it as an email attachment for the initial review when you apply for a loan, and avoid a hit on your credit scores.

The following 3 pages are reprinted from [www.MyFico.com](http://www.MyFico.com) web site's FICO Credit Complete:

## FICO CREDIT COMPLETE

### Features:

#### **All 3 FICO® scores from the three national credit bureaus\***

Your FICO® scores from TransUnion, Experian, and Equifax credit bureaus. Each comes with a full explanation of the score and how lenders view you. Also includes actions you can take to get your FICO® scores into the higher ranges. Scores constitute a snapshot and are generally not considered accurate or valid for more than 30 days from the date of purchase.

#### **All 3 Credit reports from the three national credit bureaus\***

One credit report from each bureau - TransUnion, Experian, and Equifax. Each credit report is a detailed snapshot of credit cards and loans opened in your name, companies accessing your credit file, delinquent payments and more. Because of the changing nature of the information contained within, credit reports are generally not considered accurate or valid for more than 30 days from the date of purchase. They are therefore not accessible online after that point.

#### **FICO® Score Simulator**

This simulator analyzes your personal credit information and answers questions such as, "What happens to my FICO® score if I pay off a credit card or open a new account?" (Available for TransUnion and Equifax reports only.)

#### **\*About FICO® scores and credit reports**

FICO® scores are the credit scores most lenders use to determine your credit risk. You have three FICO® scores, one for each of the three credit bureaus - Experian, TransUnion, and Equifax. Each FICO® score is based on the information that each credit bureau keeps on file about you. As the information in each of your credit reports change, your credit scores tend to change as well. When you purchase your FICO® scores and credit reports from myFICO, you are getting a snapshot that is accurate at the time of your purchase. However, it's important to note that as the information in your credit reports changes, your FICO® scores can also change. That's why we recommend checking all three of your FICO® scores and credit reports regularly - at least once a year.

## Details:

### FICO® credit scores

- Includes one FICO® score from each national credit bureau - TransUnion, Experian, and Equifax
- Includes an explanation of factors affecting each of your three FICO® scores

### Credit Reports

Each of the three credit reports lists your:

- Credit accounts, including all credit cards, auto loans, student loans, and mortgages in your name, with information about:
  - Creditor and account number
  - Balance
  - Date opened
  - Payment history
  - Current status, such as “OK”, “Closed by customer”, “30 days late payment”, etc.
- Inquiries: recent applications for new credit
- Collections: when a collection agency is seeking you to repay a debt
- Public Records: court judgments such as a bankruptcy, foreclosure, or tax lien

### FICO® Score Tools

- The FICO® Score Simulator shows how your FICO® score from TransUnion or Equifax can change when you:
  - Pay your bills on time for many months
  - Miss a payment
  - Pay down your debt balances right away or every month
  - "Max out" your credit cards
  - Get a new mortgage
  - Get a new auto loan
  - Get a new credit card
  - Get instant credit at a department store
  - Apply for a new credit card and transfer balances to it
  - Declare bankruptcy

## Other

- Printable version available
- Accessible from either PC or Macintosh with an Internet connection and with Internet Explorer 5.0 or better, or Netscape 6.2 or better
- FICO® scores and credit reports are viewable for 30 days from the date of purchase

### The difference between annual purchase and one-time purchase

Annual purchase provides a no-hassle means of receiving your FICO® scores and credit reports on an ongoing basis by automatically renewing your purchase every year\*\*. With annual purchase you will never have to remind yourself to check your credit scores again - plus, you save \$5 off the one-time price.

**NOTE:** FICO® scores and credit reports provided with this product are viewable for 30 days from the date of purchase. Be sure to print or save your scores and reports for your records within that timeframe.

### Why you need all 3 of your FICO® scores

#### Each of your three credit reports may be different

Credit bureaus don't share their data with each other. Each of the three national bureaus may have different data on you – and you won't know it until you check.

#### Each of your three FICO® scores may be different

You have a FICO® score from each credit bureau. Since your credit reports may be different, your FICO® scores can also be different, sometimes by as much as 100 points.

#### Lenders may look at all three of your FICO® scores

Many lenders, especially mortgage lenders, look at all three of your FICO® scores to determine whether to grant credit – for everything from a car loan to a home loan to a credit card to a cell phone. Even if a lender looks at just one FICO® score, you often won't know which one. Don't be surprised at the last minute when applying for credit.

#### You need to protect against ID Theft

Your first sign of a stolen identity may come from the information in each of your credit reports, including lines of credit that you did not open and home addresses that are not yours. You need to regularly look at all three credit reports and FICO® scores to rest assured that your credit and your identity are safe.