

# What is the CREDIT SCORE?

**Direction:** Guess the credit score based on the following information given.

## CASE 1:

INPUT AND ASSUMPTIONS	
Have you had a credit card or loan for at least 6 months?	Yes
How many years ago did you get your first credit card or loan?	1
Shade each type of credit account or loan that you have on your credit report, whether open or closed.	<input type="radio"/> Mortgage <input checked="" type="radio"/> Credit Card <input type="radio"/> Auto Loan <input checked="" type="radio"/> Student Loan <input type="radio"/> Other Loan <input type="radio"/> Consumer Finance Account
What is your total credit limit? (Add up the credit limits on all your credit card accounts.)	\$1000
What is your current total credit balance? (Add up the balances on all your credit card accounts.)	\$400
How many times have you applied for credit in the last year?	1 or 2 times
When did you last miss a payment on any of your credit accounts?	Never
Have you ever had any of the following negative events listed on your credit report? (Bankruptcy, Foreclosure, Repossession of property, Tax lien, Collection agency referral, Other negative report)	No
If you answered "Yes" to the previous question, please indicate how long ago the most recent negative event occurred.	No negative events

**Credit Score Guess:** \_\_\_\_\_

## CASE 2:

INPUT AND ASSUMPTIONS	
Have you had a credit card or loan for at least 6 months?	Yes
How many years ago did you get your first credit card or loan?	5
Shade each type of credit account or loan that you have on your credit report, whether open or closed.	<input type="radio"/> Mortgage <input checked="" type="radio"/> Credit Card <input checked="" type="radio"/> Auto Loan <input checked="" type="radio"/> Student Loan <input type="radio"/> Other Loan <input type="radio"/> Consumer Finance Account
What is your total credit limit? (Add up the credit limits on all your credit card accounts.)	\$3,600
What is your current total credit balance? (Add up the balances on all your credit card accounts.)	\$2,000
How many times have you applied for credit in the last year?	0 times
When did you last miss a payment on any of your credit accounts?	Never
Have you ever had any of the following negative events listed on your credit report? (Bankruptcy, Foreclosure, Repossession of property, Tax lien, Collection agency referral, Other negative report)	No
If you answered "Yes" to the previous question, please indicate how long ago the most recent negative event occurred.	No negative events

**Credit Score Guess:** \_\_\_\_\_



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**CASE 3:**

INPUT AND ASSUMPTIONS	
Have you had a credit card or loan for at least 6 months?	Yes
How many years ago did you get your first credit card or loan?	5
Shade each type of credit account or loan that you have on your credit report, whether open or closed.	<input type="radio"/> Mortgage <input checked="" type="radio"/> Credit Card <input checked="" type="radio"/> Auto Loan <input checked="" type="radio"/> Student Loan <input type="radio"/> Other Loan <input type="radio"/> Consumer Finance Account
What is your total credit limit? (Add up the credit limits on all your credit card accounts.)	\$3,600
What is your current total credit balance? (Add up the balances on all your credit card accounts.)	\$2,000
How many times have you applied for credit in the last year?	0 times
When did you last miss a payment on any of your credit accounts?	3 to 6 months ago
Have you ever had any of the following negative events listed on your credit report? (Bankruptcy, Foreclosure, Repossession of property, Tax lien, Collection agency referral, Other negative report)	No
If you answered "Yes" to the previous question, please indicate how long ago the most recent negative event occurred.	No negative events

**Credit Score Guess:** \_\_\_\_\_

**CASE 4:**

INPUT AND ASSUMPTIONS	
Have you had a credit card or loan for at least 6 months?	Yes
How many years ago did you get your first credit card or loan?	10
Shade each type of credit account or loan that you have on your credit report, whether open or closed.	<input checked="" type="radio"/> Mortgage <input checked="" type="radio"/> Credit Card <input checked="" type="radio"/> Auto Loan <input type="radio"/> Student Loan <input checked="" type="radio"/> Other Loan <input type="radio"/> Consumer Finance Account
What is your total credit limit? (Add up the credit limits on all your credit card accounts.)	\$10,000
What is your current total credit balance? (Add up the balances on all your credit card accounts.)	\$1,000
How many times have you applied for credit in the last year?	1 or 2 times
When did you last miss a payment on any of your credit accounts?	Never
Have you ever had any of the following negative events listed on your credit report? (Bankruptcy, Foreclosure, Repossession of property, Tax lien, Collection agency referral, Other negative report)	No
If you answered "Yes" to the previous question, please indicate how long ago the most recent negative event occurred.	No negative events

**Credit Score Guess:** \_\_\_\_\_



## CASE 5:

### INPUT AND ASSUMPTIONS

Have you had a credit card or loan for at least 6 months?	Yes
How many years ago did you get your first credit card or loan?	10
Shade each type of credit account or loan that you have on your credit report, whether open or closed.	<input checked="" type="radio"/> Mortgage <input checked="" type="radio"/> Credit Card <input checked="" type="radio"/> Auto Loan <input type="radio"/> Student Loan <input checked="" type="radio"/> Other Loan <input type="radio"/> Consumer Finance Account
What is your total credit limit? (Add up the credit limits on all your credit card accounts.)	\$10,000
What is your current total credit balance? (Add up the balances on all your credit card accounts.)	\$5,000
How many times have you applied for credit in the last year?	1 or 2 times
When did you last miss a payment on any of your credit accounts?	More than 2 years ago
Have you ever had any of the following negative events listed on your credit report? (Bankruptcy, Foreclosure, Repossession of property, Tax lien, Collection agency referral, Other negative report)	Yes
If you answered "Yes" to the previous question, please indicate how long ago the most recent negative event occurred.	2 to 3 years ago

**Credit Score Guess:** \_\_\_\_\_

*From these 5 cases, what did you learn?*

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## WHY FICO SCORE IS IMPORTANT?

The FICO score boils your credit history down to a three-digit number that instantly tells a lender whether or not you are creditworthy. This score dictates what terms - if any - you will be offered in a mortgage.

Past payment history and outstanding debt are the two biggest factors in computing a FICO score. If you've consistently made loan payments after the due date and are using a large percentage of the credit available to you, that's bad. However, if you missed a car loan payment once three years ago, don't fret. Smaller blemishes, especially if they aren't recent, aren't enough to derail your FICO score. The score favors borrowers who have a mix of different types of credit, including installment loans such as car and student loans, as well as credit cards. The longer you've had credit, the better. If there is a record of a number of different applications for loans or credit cards in the recent past, it will count against you.



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