

Five Factors That Decide Your Credit Score

Credit scores range between 200 and 800. Scores above 650 are considered desirable for obtaining a mortgage. These factors will affect your score.

- 1.) **Your payment history.** Whether you paid credit card obligations on time.
- 2.) **How much you owe.** Owing a great deal of money on numerous accounts can indicate that you are overextended.
- 3.) **The length of your credit history.** In general, the longer the better.
- 4.) **How much new credit you have.** New credit, either installment payments or new credit cards, are considered more risky, even if you pay promptly.
- 5.) **The types of credit you use.** Generally, it's desirable to have more than one type of credit—installment loans, credit cards, and a mortgage, for example.

For more on evaluating and understanding your credit score, go to <http://www.myfico.com>.