



# Understanding the Credit Score

Turn Your Score Around Faster Than You Ever Thought

Want to better your credit score? Become a Meijer Credit Union member and get a review of your credit score. Apply online at [www.meijercreditunion.com](http://www.meijercreditunion.com).

## 1. Range of Scores:

730 - 830 = A+

680 - 729 = A

640 - 679 = B

600 - 639 = C

550 - 599 = D

549 7 Below = E

## 2. What Makes Up Your Credit Score?

35% = Payment History (i.e. on-time pays or delinquencies)

More weight on current pay history

30% = Amount Owed (a.k.a. Capacity)

15% = Length of Credit

10% = New Credit (accumulation of debt in the last 12-18 months)

# of inquiries

Opening dates

10% = Type of Credit

Installment (can raise) vs. revolving (can lower)

Finance company loans can lower your score

## 3. What Actions Will Hurt Your Score?

- Missing payments
- Credit cards at capacity (i.e. maxing out credit cards)
- Shopping for credit excessively
- Opening up numerous trades in a short time frame
- Having more revolving debts in relation to installment debts
- Closing credit cards out (this could lower available capacity)
- Borrowing from finance companies

## 4. How Can you Improve Your Score?

- Pay off or pay down on your credit cards
- Do not normally close credit cards as it may decrease your capacity. The exception to this is when you have had a bad experience with credit cards and you don't want to go down that road again.
- Move your revolving debt into installment debt
- Continue to make payments on time (older late pays will become less significant with time)
- Slow down on opening new accounts
- Acquire a solid credit history with years of experience

## 5. Approximate Credit Weigh for Each Year:

40% = Current to 12 months

30% = 13-24 months

20% = 25-36 months

10% = 37+ months

