



Understanding the Key Factors That Influence Your Credit Score


Credit scores, essential for securing a mortgage, range from 200 to 800. Scores above 620 are typically preferred by lenders. Here's what determines your credit score:

1. **Payment History:** Timeliness in settling credit card obligations plays a crucial role. Late payments, bankruptcies, liens, and collections adversely affect your score.
2. **Credit Utilization:** High balances across several accounts may suggest financial overreach. A healthier indicator is maintaining balances well within your credit limits.
3. **Credit History Duration:** A longer credit history is favorable, showing sustained credit management. The average consumer's oldest credit line is typically around 14 years, demonstrating a longstanding credit usage.
4. **Recent Credit Activities:** Opening new credit accounts or taking on installment loans is viewed as potentially risky behavior, even if you meet repayment schedules.
5. **Credit Mix:** A diverse set of credit accounts, including installment loans, credit cards, and mortgages, is seen positively, indicating your ability to manage different types of credit responsibly.

For a deeper dive into understanding your credit score and how to improve it, consider resources like www.myfico.com, which offers comprehensive insights and tips.

For more information or assistance, contact me: Erica Anderson @ Real Premier Team powered by RE/MAX Fine Properties

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