



## HOW TO RAISE YOUR FICO SCORE

If you want to borrow money, your FICO or risk score will determine if you get the loan, amount of down payment, and at what interest rate. The higher your score the better. It is estimated that about 50% of would be borrowers could improve their FICO score. with the real estate loan market becoming harder to get a loan than ever before, it is vital to present yourself in a favorable way.

In order to raise your score you must know the system and how it works. the purpose of the FICO score is to give lenders a fast objective measurement of your credit risk. It was developed to measure the relative degree of risk that a potential borrower represents to a lender, based on extensive research into credit use patterns and actual credit data.

Score ranges from 350-850 with an average score of about 720 for most people. Any score below 620 could prevent you from obtaining a loan, renting an apartment, or getting a credit card. 75% of home loans are decided with help from FICO scores. If you always pay cash and have no credit, it will be held against you in getting a loan, just like bad credit.

Here are a few factors that make a big difference. Your bill-paying record (this accounts for 35% of your score), how much you now owe (30%), how long you have managed credit (15%), mix of credit (15%), and pursuit of new credit (10%). With this information, you can use it to your benefit.

Length of effects on your record are any negative data (30 day - charge off) 7 years from date account went 30 days to charge off, public records - 7 years with the exception of bankruptcies, positive data - 10 years with the exception of closed, ongoing accounts - indefinitely, and inquiries - 2 years. Mortgage and auto inquiries are not calculated in score for 30 days and removed 14 days after.

In the dispute process, the customer works directly with the credit grantor and in many cases, discrepancy can be resolved the same day. Credit bureaus only report information from the credit grantor and the process takes 30 days. Your lender can often help you with ideas to improve your score. I do not recommend credit restoration companies. Many are costly, time consuming, and unsuccessful. Incorrect advice may expose you to potential perjury and/or fraud litigation. Trust your lender or lawyer. Best yet, start now to clean up your credit yourself. Good luck!

For real estate loans call All California Brokers, Inc. Mortgage Department at 800-468-6188. It's as easy as A.C.B.