

## Your Credit Score, and How it Affects Home Buying

### WHAT IS A CREDIT SCORE?

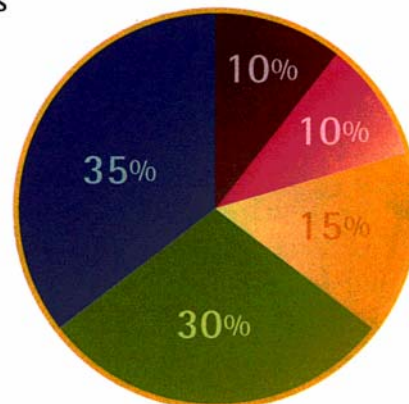
A credit score is a number that lenders use to estimate risk. Experience has shown them that borrowers with higher credit scores are less likely to default on a loan. Credit scores are generated by plugging the data from your credit report into analytical software. Credit reporting agencies don't necessarily use the same scoring software, so don't be surprised if you discover that the credit scores they generate for you are different.

Credit scoring software only considers items on your credit report. Lenders also look at other factors that aren't included in the report, such as income, employment history and the type of credit you are seeking.

Borrowers with good credit scores are typically offered more financing options and better interest rates, but don't be discouraged if your scores are lower, because there's a mortgage product for nearly everyone. Please call me with your questions on the types of financing available for your particular financial situation.

The pie chart shown here shows a breakdown of the approximate value that each aspect of your credit report adds to a credit score calculation.

- 35% - Your Payment History
- 30% - Amounts You Owe
- 15% - Length of Your Credit History
- 10% - Types of Credit Used
- 10% - New Credit



To order your credit report visit [Equifax.com](http://Equifax.com).

