CREDIT SCORE INGREDIENTS

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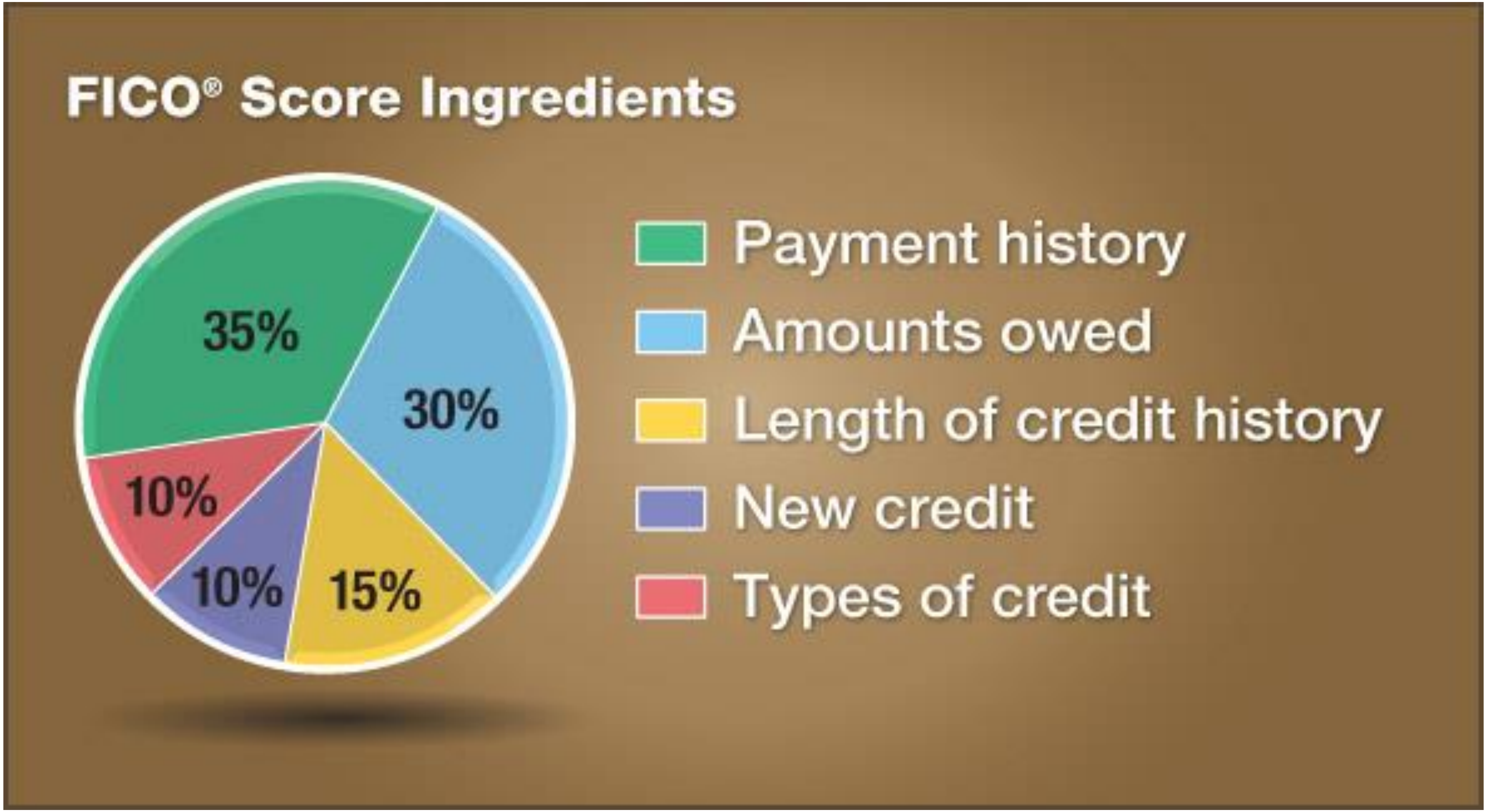

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PAYMENT HISTORY

- **Approximately 35% of your FICO Score is based on:**
  - **your payment history of:**
    - Credit Cards
    - Retail Accounts (department store credit cards)
    - Installment Loans (car loans, mortgage payments, etc.)
    - Finance Company accounts
  - **Details on late or missed payments ("delinquencies") and public record and collection items.**
  - **Public record items and collections items:**
    - If you have ever filed bankruptcies, foreclosures, lawsuits, wage attachments, liens and judgements.

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THE AMOUNTS YOU OWE

- **Approximately 30% of your FICO Score is based on:**
  - The amount owed on all accounts
  - The amount owed on different types of accounts
  - Whether you are showing a balance on certain types of accounts
  - The number of accounts that show a balance
  - How much of the total credit line is being used on credit cards and other revolving credit accounts
  - How much is still owed on installment loan accounts, compared with the original loan amount.

THE AMOUNT YOU OWE

FICO's research shows that people using a high percentage of their available credit limits are more likely to have trouble making some payments now or in the near future, compared to people using a lower level of credit.

LENGTH OF CREDIT HISTORY

- **Approximately 15% of your FICO Score is based on:**
  - How long your credit has been established. Your FICO Score considers the age of your oldest account, the age of your newest account and the average of all your accounts.
  - How long specific credit accounts have been established
  - How long it has been since you used certain accounts

In general, a longer credit history will increase your FICO Score.

NEW CREDIT

- **Approximately 10% of your FICO Score is based on:**
  - How many new accounts you have opened
  - How long it has been since you opened a new account
  - How many recent requests for credit you have made, as indicated by inquiries to the credit reporting agencies
  - Length of time since credit report inquiries made by lenders
  - Whether you have a good recent credit history, following any past payment problems.

FICO's research shows that opening several credit accounts in a short period of time represents greater risk—especially for people who do not have a long credit history.

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TYPES OF CREDIT

- **Approximately 10% of your FICO Score is based on:**
  - What kinds of credit accounts you do have. Do you have experience with both revolving (credit cards) and installment (fixed loan amount and payment) accounts, or has your credit experience been limited to only one type?
  - How many accounts you have of each type. Your FICO Score also looks at the total number of accounts you have. For different credit profiles, how many is too many will vary depending on your overall credit picture.

WHAT A FICO SCORE IGNORES

- Race, color, religion, national origin, sex and marital status.
- Your age
- Your salary, occupation, title, employer, date employed or employment history. Lenders may consider this information separately.
- Where you live
- Any interest rate being charged on a particular credit card or account
- Any items reported as child/family support obligations
- Any information not found in your credit report
- Any information that is not proven to be predictive of future credit performance
- Certain types of inquiries
  - Your FICO Score does not count any inquiries you initiate, any inquiries employers or insurance companies, or any inquiries lenders make without your knowledge.

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COMMON MYTHS ABOUT CREDIT SCORES

- **Myth:**
  - My score determines whether or not I get credit.

- **Truth:**
  - Lenders use a number of facts about you to make credit decisions, including your FICO Score. Lenders look at information such as the amount of debt you can reasonably handle given your income, your employment history and your credit history.

BAD CREDIT DOESN'T LAST FOREVER

- Most negative information stays on your credit for seven years (bankruptcy may remain on your report for up to 10 years), and depending on what the trade line is, its effect on your credit may diminish even sooner.

Example: After a year, a late payment won't hurt your credit score as much as it did when it first show up on your credit report. Another year goes by, and it matters even less. On the other hand, things like debts in collection, foreclosure and bankruptcy are considered more serious indicators of risk.

- Even the worst financial missteps you can recover from in a reasonable amount of time, if you begin to practice the basics of good credit management.

HOW TO BOUNCE BACK FROM BAD CREDIT

- Even with some of the most damaging records on your credit reports, you can make improvements to your credit scores by making loan payments on time, keeping your credit card balances low and applying sparingly for new credit.
- Keep in mind that not all negative information ages off: unpaid judgements and unpaid tax liens have the potential to stay on your credit reports indefinitely, so if you are dealing with either of those things, do what you can to take care of them.

TIPS FOR A BETTER FICO SCORE

- **Pay on Time**
  - Always pay your bills on time
  - If you have missed payments, get current and stay current
  - If you are having trouble paying your bills, contact creditors or a legitimate credit counselor
  - Keep your balances low
- **Manage Your Accounts**
  - Have credit cards but manage them responsibly
  - Don't open cards that you don't need
  - Close unused credit cards cautiously
  - It's ok to request and check your own credit report

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TIPS FOR A BETTER FICO SCORE

- **When Seeking New Credit…**
  - Do your rate shopping within a short period of time
  - Re-establish your credit history if you've had problems in the past
  - Seek help from a non-profit credit counseling agency if you're continuing to have problems paying your bills each month
- **Improvement Takes Time**
  - Your scores probably won't improve a lot from one month to the next. While a bankruptcy or late payments can lower your FICO Score fast, improving your FICO Score takes time. That's why it's a good idea to check and monitor your FICO Scores 6 to 12 months before applying for a big loan, so you have time to take action if needed. If you are actively working to improve your FICO Score, you may want to check your score quarterly or even monthly to review changes.

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QUESTIONS?