

## Congratulations on beginning your E-STEPS AWAY FROM DEBT!

Many consumers are unaware that non-creditors also control who gets services, how much you pay for those services and the cost of interest based on your credit score and DTI ratio. *For example:*

- Home or automobile insurers may use your credit scores to determine premium cost.
- Cell phone companies check your credit score.
- Utility companies may require a deposit or increase the deposit amount based on your score.
- Rental properties use your credit score as a determining factor for approval.

### FICO means Fair Isaac Corporation

This company developed credit risk scoring in 1980. There are several general score ranges and breakdowns and credit bureau reporting may vary. Each individual lender and the company's criteria determine a bad or good score.

### General Credit Score

\*Excellent: 700-850   \*Good: 680-699   \*Fair: 580-679   \*Poor: 500-579   \*Bad: 300-499   \*Credit Risk--->Below 620   \*\*Average Americans--->620-679\*\*

### 5 Elements of Fico Score

- 35% Payment History: making payments on time
- 30% Amount Owed: amount of credit accounts owed
- 15% Length of Credit History: a longer credit history might elevate your score
- 10% New Credit: opening several accounts in a short time represents a greater risk
- 10% Credit Mix: retail accounts, credit cards, installment, mortgage and finance accounts

### (DTI) Debt-To-Income-Ratio

Total minimum monthly debt payments divided by your GROSS monthly income. The lower the percentage is better. 20%-35% is a safe range. Mortgage companies will allow 36%-43%. Higher DTI may increase financial difficulty in the future should your income change. Keep that in mind!

### Dispute Inaccurate Reporting

Make a commitment to check your credit report annually in your birthday month so you can remember. You won't forget date of birth...will you? And, it is free! Go to [www.annualcreditreport.com](http://www.annualcreditreport.com). Should you find inaccuracies, don't hesitate to dispute it. Bad credit doesn't have to follow you forever. The **E-STEPS AWAY FROM DEBT** course works; it's based on a solid, proven system. Having a solid knowledge base will help you to succeed and we can help you!

### E-STEPS AWAY FROM DEBT

So if bad credit is haunting you, let's fix it! If you have been afraid to take a look at your credit score or just do not know where to start, send an email to request to get on the list for the next **E-STEPS AWAY FROM DEBT** course. Email to: [info@necolemitchellgriffin.com](mailto:info@necolemitchellgriffin.com)

***You have nothing to lose and a higher credit score to gain.***