Credit Tips for College Students:

About your credit score:

Your credit score influences the credit that’s available to you and the terms (interest rate, etc.) that lenders offer you. It’s a vital part of your credit health. When you apply for credit – whether for a credit card, a car loan, or a mortgage – lenders want to know what risk they’d take by loaning money to you. When lenders order your credit report, they can also buy a credit score that’s based on the information in the report. A credit score helps lenders evaluate your credit report because it is a number that summarizes your credit risk, based on a snapshot of your credit report at a particular point in time.

Credit scores are often called “FICO Scores” because most credit bureau scores used in the U.S. are produced from software developed by FICO (Fair Isaac and Company). But it’s important to understand that not every credit score you can buy online is a true FICO Score.

About FICO Score:

The most widely used credit score is the FICO Score, the credit score created by Fair Isaac Corporation. Lenders use the FICO Score to help them make billions of credit decisions every year. Fair Isaac calculates the FICO Score based solely on information in consumer credit reports maintained at the credit reporting agencies.

FICO credit scores range from 300 to 850. That FICO Score is calculated by a mathematical equation that evaluates many types of information from your credit report, at that agency. By comparing this information to the patterns in hundreds of thousands of past credit reports, the FICO Score estimates your level of future credit risk.

Other names for FICO Score:

The FICO Score has a different name at each of the credit reporting agencies. All of these scores, however, are developed using the same methods by Fair Isaac, and have been rigorously tested to ensure they provide the most accurate picture of credit risk possible using credit report data. Credit Reporting Agency