



# Understanding Your FICO® Score

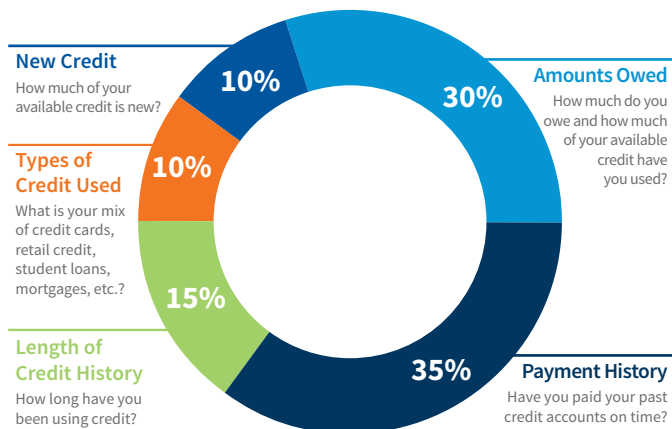


FICO® Scores, created by Fair Isaac Corporation (FICO), are the most widely used credit scores in lending decisions. Your FICO® Score, a number that typically ranges from 300 to 850, summarizes your credit risk based on a snapshot of your credit file at a particular point in time. It considers both positive and negative information in your credit report.

Lenders can request FICO® Scores from all three major credit reporting agencies (TransUnion, Equifax, and Experian). FICO develops FICO® Scores based solely on information in consumer credit files maintained at the credit reporting agencies.

It's important to understand your FICO® Score. This is a key way to evaluate your credit risk — and help you manage your financial health more effectively. A good FICO® Score means better financial options for you.

## Components of your FICO® Score



This information was available from [www.scoreinfo.org](http://www.scoreinfo.org) as of April 2015.

For more information, visit [SallieMae.com/FICO](http://SallieMae.com/FICO)

# How to Build and Maintain a Good FICO® Score

- Pay all your bills on time.
- If you have missed payments, get current and stay current. Keep balances low on credit cards and other types of “revolving credit”.
- Apply for and open new credit accounts only as needed. Don’t open accounts for the purpose of providing a better credit picture – it probably won’t raise your FICO® Score and, in some instances, may even lower your score.
- Monitor your credit report. You can get a free report annually from each of the three major credit bureaus at **annualcreditreport.com**. Check for errors periodically to ensure you have not become the victim of identity theft.
- Pay off debt rather than moving it around from one credit card to another. The most effective way to increase your FICO® Score in this area is by paying down your total credit card debt.
- Closing credit cards will not increase your score and may actually lower it at least slightly. A better way to help your score is by managing credit cards responsibly. Keep any balances low and always pay your bills on time.
- If you have been using credit for only a short time, don’t open many new accounts quickly, as rapid account build-up can lower your score.
- While having student loans to pay may limit your discretionary spending for a time, it can also help you build a solid credit history if you are making regular, on-time payments. And that can pay off in the future when you borrow for a car, a home, or other items on credit.

For more information, visit [SallieMae.com/FICO](https://www.salliemae.com/FICO)

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## Encouraging Responsible Borrowing

Sallie Mae has helped more than 30 million Americans pay for college since 1972. We encourage students and families to supplement their savings by exploring grants, scholarships, federal and state student loans, and to consider the anticipated monthly payments on their total student loan debt and their expected future earnings before considering a private education loan.

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