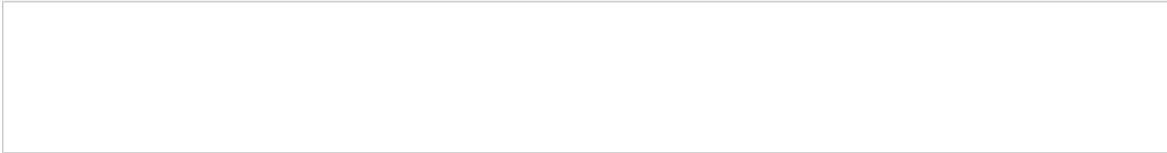


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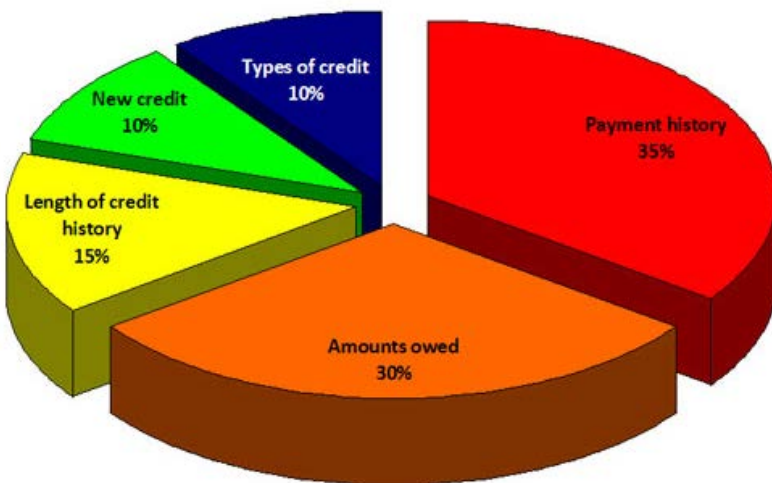
Components of Your FICO Credit Score

This article was written by [Luke Landes](#) in [Credit](#). [Add a comment.](#)

While the formula that Fair Isaac uses to determine your **credit score** is a closely-guarded secret, the company does provide an overview of what they use in the calculation.

Looking at these components, it becomes pretty clear what the company looks for when providing the best scores, which will assist in qualifying the borrower for the best interest rates.

Here is a chart based on information from Fair Isaac:



Your payment history has the most weight in the calculation, so the first piece of advice one might divine is to make your payments on time.

The second most important aspect is the amounts owed to lenders. Keep this number low in comparison to your total credit available. This isn't a perfect calculation. For instance, [Capital One doesn't report your true available credit](#), so card holders are at a disadvantage in one of the most important components of their credit score.

FICO also stresses length of credit history. This is why it might be helpful to build a credit history as early as possible. But if this credit history is begun before the card holder has the mental capacity to or understanding to use credit properly, this strategy can backfire.

When calculating a credit score, Fair Isaac doesn't want to see too many new credit lines. If you know you're going to need a high credit score in the near future, say if you are applying for a mortgage, you may not want to open any new credit cards within six months or so before starting the application process. The exact figures are secret, but a six month window is probably safe.

The last component takes a look at the types of credit: unsecured credit card debt, automobile loans, mortgages, consumer finance, etc. FICO likes to see equal utilization of all types of credit.

The chart isn't perfect. Bankruptcies aren't included in the components listed by Fair Isaac, but a bankruptcy on record would severely damage your score. Also, while 35% of the total score is attributed to payment history, a poor payment history can affect more than 35% of your total score.

FICO actually computes different scores depending on the type of credit you are applying for. Additionally, each of the credit reporting bureaus calculate their own scores for their own purposes. In general, what's good for one agency is good for the others.

The [FICO Forum](#) appears to be a good resource for anyone who wants to ask specific questions about their credit scores or their calculations, but as with anything, don't just rely on one source of information.

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About the author

Luke Landes is the founder of Consumerism Commentary. He has been blogging and writing for the internet since 1995 and has been building online communities since 1991.



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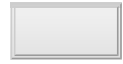
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