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Understanding your credit score (FICO)

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Driven by the financial industries desire for an equitable method of comparing the credit worthiness of borrowers, [Fair Isaac & Co](#) developed a credit measurement tool in the 1950's called the FICO® score.



Now considered to be the industry standard, the FICO® score is used by most lenders from across Canada and the United States to assess lending risk.

FICO® score, BEACON® score, EMPIRICA® score

The three most recognized credit reporting agencies include [Equifax](#), [Experian](#) and [TransUnion](#), with Equifax being the most recognized agency in Canada. Known as a BEACON® score at Equifax, EMPIRICA® score at TransUnion and the Experian/Fair Isaac Risk Score at Experian, all use formulas developed by Fair Isaac & Co.

How is a FICO® score determined?

*In general terms, the FICO® score evaluates five main categories of information:

Payment history (35% of the overall score)

- Account payment information on specific types of accounts (credit cards, retail accounts, installment loans, finance company accounts, mortgage, etc.).
- Presence of adverse public records (bankruptcy, judgments, suits, liens, wage attachments, etc.), collection items, and/or delinquency (past due items).
 - Severity of delinquency (how long past due).
- Amount past due on delinquent accounts or collection items.
 - Time since (recency of) past due items (delinquency), adverse public records (if any), or collection items (if any).
 - Number of past due items on file.
 - Number of accounts paid as agreed.



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When it comes to your credit score.

EQUIFAX

Amounts owed (30% of the overall score)

- Amount owing on accounts.
 - Amount owing on specific types of accounts.
 - Lack of a specific type of balance, in some cases.
 - Number of accounts with balances.
- Proportion of credit lines used (proportion of balances to total credit limits on certain types of revolving accounts).
 - Proportion of installment loan amounts still owing (proportion of balance to original loan amount on certain types of installment loans).

Length of credit history (15% of the overall score)

- Time since accounts opened.
- Time since accounts opened, by specific type of account.
 - Time since account activity.

New credit (10% of the overall score)

- Number of recently opened accounts, and proportion of accounts that are recently opened, by type of account.
 - Number of recent credit inquiries.
- Time since recent account opening(s), by type of account.
 - Time since credit inquiry(s).
- Re-establishment of positive credit history following past payment problems.

Type of credit used (10% of the overall score)

- Number of (presence, prevalence, and recent information on) various types of accounts (credit cards, retail accounts, installment loans, mortgage, consumer finance accounts, etc.).

Add it up and you get...?

- Each of the above noted factors, along with others, are assigned a value and a weight. The results of these factors are then added up and combined into a single number. FICO® scores can range from 300 to 800. The higher the number the better.
- In general terms, borrowers with reasonable credit typical have FICO® scores, which range between 600 and 800.

***Comments:**

How to Read a Credit Quick Services Credit Report

This page contains detailed instructions on how to read a Credit Report provided by Credit Quick Services. Our innovative report format makes it easy for both loan professionals and consumers to read and understand our credit reports. For questions regarding disputing items on your credit report, please refer to our How to Dispute document which is available under the Consumer Information section at our website, www.creditquickservices.com.

Identification

This section contains name, social security, and address information exactly as it was provided to us by the requestor. Incompleteness and/or inaccuracy in any of the fields can cause the credit bureaus to return incomplete and/or inaccurate information.

File Variations

1. 2.
1. Bureau – Each of the three major credit bureaus (Equifax, Experian, and TransUnion) maintains a credit file based upon information that is reported to them by creditors. These files generally contain account information for current and closed accounts, public records (bankruptcies, judgements, and tax liens), and current and former address information. The bureaus maintain files independently of one another, therefore, some differences in the files are possible.
2. Variation – Each credit bureau returns a file variation which shows the name and social security number that they have on file for each borrower. For the primary borrower, the variations are labeled BTU1 (B=borrower, TU=TransUnion), BEX1 (Experian), and BEQ1 (Equifax). For the co-borrower, the variations are labeled CTU2, CEX2, and CEQ2.

Credit Scores

- 2.
1. 3.
1. Scores – Each credit bureau calculates a credit score based on information in their files. They use proprietary scoring models and score independently of one another. For this reason, credit scores almost always differ by bureau. Any questions or issues regarding score should be directed to the reporting bureau.
2. Brand/Type – These are the names of the scoring models that the bureaus are using to score the files.
3. Factor Codes – Provided with each credit score are the four factors that have the greatest impact on the score. The number at the front of each line is simply the code that corresponds with the explanation that follows. It is not a numerical value that is relevant to any information in the explanation.

Tradelines

The tradelines section lists each individual creditor that reports account information to the three credit bureaus. Each tradeline contains account information as it is reported by the creditor to the credit bureaus.

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1. 4. 6. 5.
1. This field contains the name and account number of each individual creditor that the credit bureaus have in their files. Directly above the name of the creditor, there are four smaller boxes. The box furthest to the left contains ECOA (Equal Credit Opportunity Act) codes that describe the consumers' association to the account (Click here to view an explanation of the codes). The next three boxes indicate the bureaus that are reporting information on this account. The left box is reserved for Equifax, the middle for Experian, and the right for TransUnion. If the box corresponding to the bureau is empty, that bureau is not reporting any information on that account. The bureau that is underlined is the one whose information is being seen on the credit report.
2. Reported, Opened, Last Active, Reviewed – These fields contain date information relevant to the account. The Reported Date is the last date the creditor reported information to the credit bureau. The Opened Date is the date that the account was opened. The Last Active date is the last month in which the account was active. The Reviewed field contains the number of months that account has been reviewed by the credit bureaus.
3. Balance, Payment, High Credit, Past Due, Credit Limit – The Balance field shows the outstanding balance on the account as of the Reported Date. The Payment field shows the monthly payment that is due on the account. The High Credit field shows the highest amount ever owed on the account. The Past Due field shows any applicable past due amounts. The Credit Limit field shows the credit limit on the account if applicable.
4. File – This field contains the file variations under which the account is being reported. See the explanation for File Variations above.
5. Pymt Grid/Terms – The payment grid shows 24 months of payment history. Reading from left to right, the grid shows the Last Active month first going back 24 months. A 'C' in the payment grid means the account was paid as agreed in that month. An 'X' means no history was reported for that month. The Terms field shows the terms of the account in months for Real Estate or Installment accounts. For a Revolving (credit card) account, the

terms show as Rev.

6. Contact/Status – The Contact field shows contact information for the creditor if available. The address and phone number listed (if available) is that of the creditor that is reporting the information. The Status field shows whether the account is current, closed, in collections, etc.

Derogatory Tradelines

The derogatory tradelines section is very similar to the tradelines section with a few exceptions listed below.

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1. Pymt Grid – The payment grid under the Derogatory Tradelines section reads the same as it does under Tradelines. The difference is that there may be other codes present that correspond to late payments or other derogatory information. [Click here](#) for an explanation of the codes in the payment grid.

2. 30-59, 60-89, 90+ - This section details the total number of late payments that have been reported on the account. The 30-59 field lists payments that were received more than 30 but less than 59 days after the due date. The 60-89 field lists payments received more than 60 but less than 89 days after the due date. The 90+ field lists payments that were received more than 90 days after the due date.

Public Records

The public records section contains any Tax Liens, Bankruptcies, or Civil Judgments that are present in each borrower's credit file.

2. 3. 4. 5.

1. 6. 8. 7.

1. Filing Date/Status Date – The Filing Date shows the month and year in which the Public Record was filed. The Status Date shows the month and year in which the Public Record was discharged, satisfied, or released. If the Status Date is blank, it usually means that the Public Record is still active.

2. Type – Displays the type of Public Record that is being reported (Tax Lien, Bankruptcy, or Civil Judgment).

3. Court – Shows the court, county, or state under which the Public Record has been filed.

4. Docket – Shows the court docket number associated with the Public Record, if applicable.

5. ECOA/File - This field contains an ECOA code that explains the borrower's association with the Public Record ([Click here](#) to view an explanation of the codes). It also shows the file variation under which the record is being reported.

6. Status – The Status field shows the current rating of the Public Record. If the Status is blank, it usually means that Public Record is still active.

7. Amount – If the Public Record is a Tax Lien or Civil Judgment, this is the amount that is owed to satisfy the lien or judgment.

8. Under – Shows the name and social security number of the person under whom the Public Record was filed.

Inquiries

Any inquiries to the borrower's credit file over the past 90 days are listed in this section. Dates of each inquiry are given as well as the company that requested the credit information and/or the credit reporting agency that provided the report.

Also Known As

This section lists any variations on the names of the borrowers that the credit bureaus have on file. The furthest field to the right (Labeled 'File') shows the file variation that any particular name is reporting under.

Addresses

This section lists any current and previous addresses that any of the borrowers have occupied. Similar to the Also Known As section, the 'File' field shows which bureau is reporting each address.

Employment

This section lists any current and former employers that are contained in the credit bureau files for each borrower.

Credit Score Disclosure Information

This is a summary which contains information relating to the middle of the three credit scores provided by each credit bureau. It provides basically the same information found in the 'Credit Scores' section, but only for one bureau for each borrower.