

WHAT ACTIONS IMPACTS YOUR CREDIT SCORE?

CONSUMER ACTION	LENDER INTERPRETATION	IMPACT ON CREDIT SCORE
Pays bills on time	Consumer is reliably handling debt	Improvement
Has few credit utilization	Has sufficient access to credit	Improvement
Has mature accounts	Is an experienced credit user	Improvement
Uses diverse range of loan products	Has experience with different types of requested requirements	Improvement
Has inquiry about a new loan	Why the need for credit?	Small drop
Taken out a new loan	Why the need for credit?	Small drop
Has new accounts	Will consumer manage new credit effectively?	Small drop
Misses out credit card	Potential for significant negative	Drop
Pays late (first time)	Potential for significant negative	Drop
Pays multiple loans late	All credit at risk	Large drop
Misses three or more loan payments	All credit at risk	Large drop
Charge off (Lender takes a loss)	Default	Major score drop
Repossession	Default	Major score drop
Bankruptcy	Default	Major score drop, extended time impact