

FICO® Changes Credit Score Model for 2020

The new changes are part of a credit rating system, that uses “trended data” from credit reporting agencies. This “trended data” will allow all lenders to look into account the past **24 months** or more of your credit history.

The new changes will affect you in different ways.

Whose Credit Scores Will Likely Increase?

According to the Wall Street Journal, if you swipe your credit card heavily during a specific time of the month or year — but pay it off quickly — you’re likely to see less of a credit score drop.

Whose Credit Scores Will Likely Go Down?

The new changes will affect people who make late payments or have missed a payment recently.

Additionally, the article states that people who carry credit card balances month to month and try to catch up by taking out personal loans, will be negatively affected in that this method adds to your overall debt.

Keep your “credit utilization ratio” at the suggested 30% or less. To get your credit utilization ratio, take the amount of credit you’re using (the credit balance) and divide by your total credit limit.

FICO® says the new scoring model won’t be available to lenders until summer 2020.

FICO® (legal name: **F**air **I**saac **C**orporation), originally Fair, Isaac and Company, is a data analytics company based in San Jose, California focused on credit scoring services.

It was founded by **Bill Fair** and **Earl Isaac** in 1956. Its **FICO®** score has become a fixture of consumer lending in the United States.

In 2013, lenders purchased more than **10 billion FICO®** scores and about 30 million American consumers accessed their scores themselves. Lenders use the scores to gauge a potential borrower's creditworthiness.

Your FICO® Score

90% of top lenders use FICO® Scores—do you know yours?

What is the FICO® Score?

The FICO® score is the most widely used credit score, used by more than 90% of top lenders. Some credit apps use other credit scores, but they are calculated differently than FICO® and many lenders won't use them.

Estimate your FICO® Score

There is a way to get an estimate of what your **FICO®** score *range* is by answering a few credit questions. The **Estimate is Free** (FYI: you will be leaving our site).

**Detailed assistance provided to subscribed partners.*

(Nedra make it so that when they click on estimate is free, it takes them to the site
https://www.myfico.com/fico-credit-score-estimator/estimator?ftcta=forums.banner.estimatorforfree&utm_click=forums.banner.estimatorforfree

OF FLORIDA

Credit Score Versions

<u>Experian</u>	<u>Equifax</u>	<u>TransUnion</u>
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Most widely used version

FICO® Score 8	FICO® Score 8	FICO® Score 8
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Versions used in auto lending

FICO® Auto Score 8	FICO® Auto Score 8	FICO® Auto Score 8
FICO® Auto Score 2	FICO® Auto Score 5	FICO® Auto Score 4

Versions used in credit card decisioning

FICO® Bankcard Score 8		
FICO® Score 3	FICO® Bankcard Score 8	FICO® Bankcard Score 8
FICO® Bankcard Score 2	FICO® Bankcard Score 5	FICO® Bankcard Score 4

Versions used in mortgage lending

FICO® Score 2	FICO® Score 5	FICO® Score 4
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Newly released version

FICO® Score 9	FICO® Score 9	FICO® Score 9
FICO® Auto Score 9	FICO® Auto Score 9	FICO® Auto Score 9
FICO® Bankcard Score 9	FICO® Bankcard Score 9	FICO® Bankcard Score 9

*These are the major credit bureaus. There are over 40 different consumer credit reporting agencies.
 Detailed assistance provided to subscribed partners.