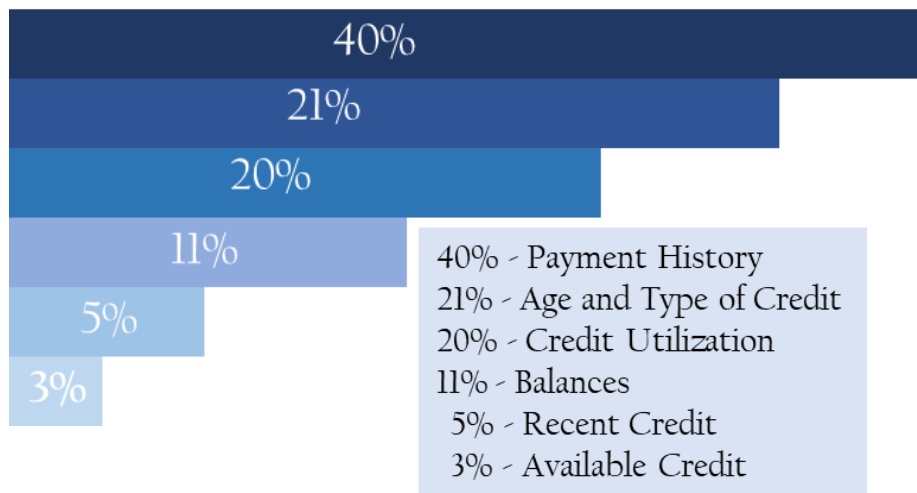


Understanding VantageScore 3.0

What is a VantageScore?

The VantageScore is an alternative to the FICO score. VantageScore was created by the three major credit bureaus to predict how likely a borrower is to repay a debt. Credit scores are used by lenders, landlords, financial intuitions, and insurance companies to help evaluate creditworthiness and financial responsibility. Vantage scores range from 300 to 850. Typically, higher scores obtain lower rates with lenders.



The graph above shows how the score is calculated. Payment history makes up about 40% of the score. 21% factors in revolving (credit cards) versus secured credit (auto, mortgage) and how long an applicant has had credit. 20% factors in how much open credit is being used. Are the credit cards at their limit or are the balances less than 30%?

Resources:

- ♦ Vantagescore.com
- ♦ annualcreditreport.com provides a free copy of your credit report once a year from each of the three credit bureaus.
- ♦ Log into Mid Oregon's Digital Banking system and enroll in the Credit Savvy widget to get your current VantageScore anytime.

What does not affect the score?

- ♦ Income
- ♦ Length of Residence
- ♦ Length of Employment



What actions will hurt the score?

- ♦ Missing or late payments
- ♦ Credit cards at maximum capacity
- ♦ Closing credit cards lowers available capacity
- ♦ Opening numerous accounts in a short time
- ♦ Having more revolving loans in relation to secured loans
- ♦ Loans at finance companies

Late payment credit weight for each year

- ♦ 40% = current to 12 months
- ♦ 30% = 13-24 months
- ♦ 20% = 25-36 months
- ♦ 10% = 37 + months

Tips to improve the score

- ♦ Make payments on time every month
- ♦ Do not close credit cards because capacity will decrease
- ♦ Work on a good mix of credit
- ♦ Acquire a solid credit history with years of experience
- ♦ Keep credit cards at less than 30% capacity