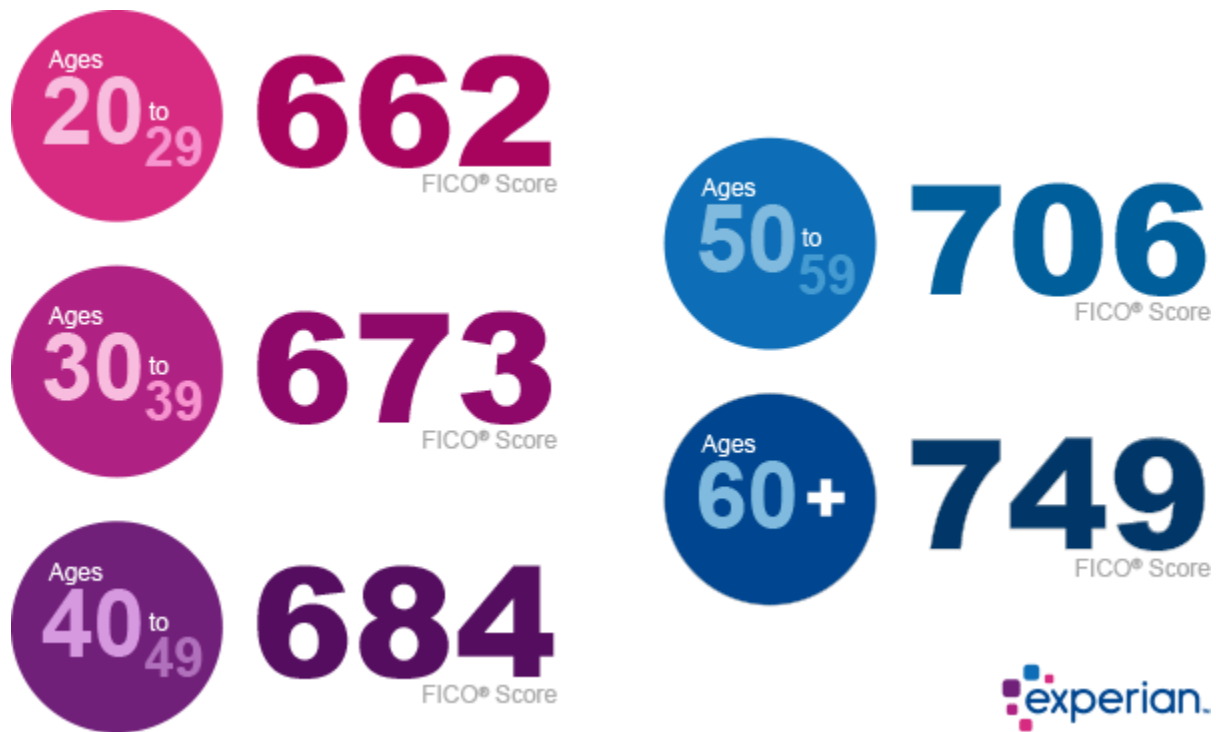# CREDIT SCORES

FICO (FAIR ISAACS & CO) credit scores by percentage of U.S. population for 2019.

800-850   **20%**

740-799   **25%**

670-739   **21%**   **NJ AVG 714**

580-669   **18%**

- Someone with a FICO® Score of 800 or above is considered to have "exceptional" credit.

- People with scores ranging from 740-799 fall into the "very good" credit range.

- Scores between 670-739 are considered "good" scores.

- A "fair" score falls between 580-669.

- Any score that is lower than 579 is considered a "poor" score.

The older you are the better score you have. Scores have been going up in recent years.

How Are Credit Scores Calculated?

FICO® Scores are calculated by evaluating the data in your credit file to determine how likely it is you will pay back your credit obligations. FICO® Scores consider major factors like your payment history, credit utilization, and age of credit history, among other criteria, in order to produce a number that reflects your creditworthiness.

FICO® Scores are based on five types of information found in your credit report:

1. Payment History: Payment history is the most important aspect of your credit report and shows whether you have paid your credit accounts on time.

2. Amounts Owed: [How much debt you have is](#) is the second most important category, including the evaluation of how much of your available revolving credit you are using each month.

3. Length of Credit History: The length of your credit history is based on how long you have had credit accounts open. A more established credit history usually equates to lower risk.

4. Recent Activity: This category looks at how many "[inquiries](#)" you have, how many times you have applied for credit in the past 12 months.

5. Credit Mix: Your credit mix is based on how many different types of credit accounts you have, including mortgages, credit cards, auto loans, and installment loans.

Though these are the five factors used in determining a FICO® Score, it is important to remember that lenders often look at everything in a credit report along with other information on your credit application, such as your current [debt-to-income ratio](#) for example.

What Is Considered a Good Credit Score?

A [credit score](#) higher than 670 in the 300-850 scoring range is generally considered "good." A credit score of 800 or above on the same range is considered to be "exceptional." Higher scores generally indicate that you have made better credit decisions, thus making lenders more confident that you are likely to repay your future debts on time. **A minimum score of 580 is required for a loan. Loan rates can vary 3% points or more based on your credit score.**