

Top 5 Credit Score Factors

While the exact criteria used by each scoring model varies, here are the most common factors that affect your credit scores.

1. **Payment history.** Payment history is the most important ingredient in credit scoring, and even one missed payment can have a negative impact on your score. Lenders want to be sure that you will pay back your debt, and on time, when they are considering you for new credit. Payment history accounts for 35% of your FICO® Score®, the credit score used by 90% of top lenders.
2. **Amounts owed.** Your credit usage, particularly as represented by your credit utilization ratio, is the next most important factor in your credit scores. Your [credit utilization ratio](#) is calculated by dividing the total revolving credit you are currently using by the total of all your revolving credit limits. This ratio looks at how much of your available credit you're utilizing and can give a snapshot of how reliant you are on non-cash funds. Using more than 30% of your available credit is a negative to creditors. Credit utilization accounts for 30% of your FICO® Score.
3. **Credit history length.** How long you've held credit accounts makes up 15% of your FICO® Score. This includes the age of your oldest credit account, the age of your newest credit account and the average age of

all your accounts. Generally, the longer your credit history, the higher your credit scores.

4. [Credit mix](#). People with top credit scores often carry a diverse portfolio of credit accounts, which might include a car loan, credit card, student loan, mortgage or other credit products. Credit scoring models consider the types of accounts and how many of each you have as an indication of how well you manage a wide range of credit products. Credit mix accounts for 10% of your FICO® Score.
5. New credit. The number of credit accounts you've recently opened, as well as the number of [hard inquiries](#) lenders make when you apply for credit, accounts for 10% of your FICO® Score. Too many accounts or inquiries can indicate increased risk, and as such can hurt your credit score.