

Quick Facts



Q. What is the credit score range?

A. 300–850

Q. What is considered good credit?

- A. 720+ Best
- 719–700 Better
- 699–675 Good
- 674–620 Average
- 619–560 Below Average
- 559–500 Poor
- 499–300 Extremely Poor

Q. Does my credit score go down when I check my own credit report?

- A. No. Only when companies who are trying to issue you credit pull your credit report. More details inside.

Q. What is a credit bureau?

- A. A credit bureau is a company that gathers information on consumers who use credit. They sell that information in the form of credit reports to credit grantors.

Q. What credit bureaus report my credit score?

- A. There are 3 credit bureaus: Trans Union, Equifax and Experian.



Panhandle State Bank
and its locally operated divisions
Intermountain Community Bank
Magic Valley Bank

www.panhandlebank.com
www.intermountainbank.com
www.magicvalleybank.com

If there is a discrepancy or you have a question regarding your credit report, contact the following 3 credit bureaus.

TRANS UNION

2 Baldwin Place, PO Box 2000
Chester, PA 19022
800-888-4213 • www.transunion.com

EQUIFAX

PO Box 740241, Atlanta, GA 30374
800-685-1111 • www.equifax.com

EXPERIAN

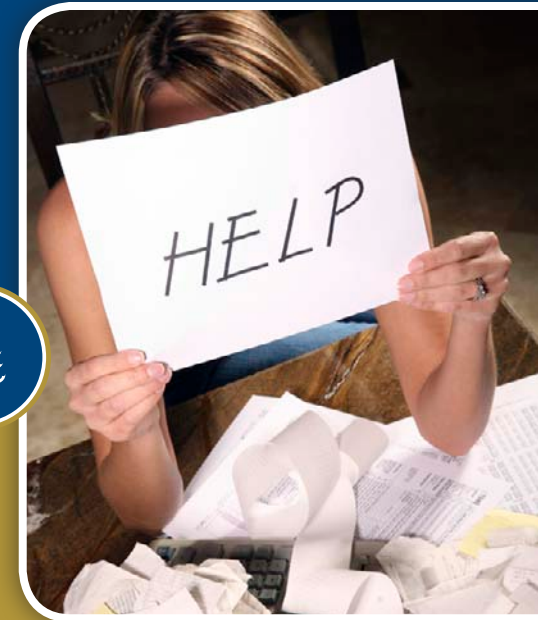
888-397-3742 • www.experian.com

For your FREE Credit Report, go to www.annualcreditreport.com.

Ask us about our **Safe Checking Account** with credit monitoring and Identity Theft Shield!

Panhandle STATE BANK Magic Valley BANK Intermountain COMMUNITY BANK

Clearing Up Credit Confusion



An informational brochure to help answer questions about your credit score.



What Determines My Credit Score?

Credit scores are calculated by examining the five following factors:

INQUIRIES 10%

Each time a credit report is pulled by a business to issue credit (hard inquiries), the score is affected. However, when an employer, etc. pulls a report (soft inquiries), the score is not affected. There is a 13 day window for mortgage and auto loan companies to check credit scores unlimited times, counting as only one inquiry.

CREDIT MIX 10%

A variety of credit is better. A good credit score model will have a mortgage, an installment loan, and 3-5 credit cards, all with flawless payment histories. Avoid borrowing from finance companies. It is considered high risk lending and can have a negative affect on a score.

OUTSTANDING DEBT 30%

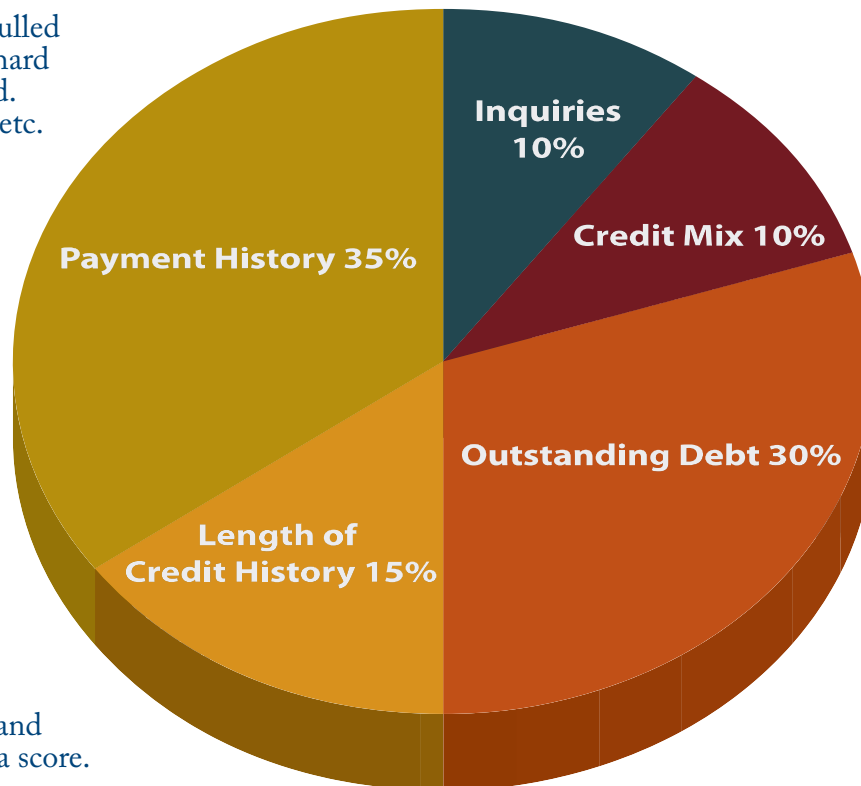
The key to debt calculation is the outstanding balance compared to the available credit. Balances under 30% of the credit limit are rewarded, balances at 50% are neutral and balances over 50% of the credit limit are working against the score. Going over the credit limit penalizes a score.

LENGTH OF CREDIT HISTORY 15%

The longer you have been a good credit user, the more points you get. If you have good credit, and open a card today, you will not be penalized. If you have bad credit and open a card today, you WILL be penalized.

PAYMENT HISTORY 35%

This calculation reflects the timeliness of payments. Late payments, collections, charge-offs, liens, and judgements have a negative affect. Time heals the credit scores once these are cleared and grow older. Negative credit drops off after seven years, bankruptcies after ten years. Positive credit history remains on the credit report for up to ten years.



How Do I Maintain Good Credit?

DO's

CHECK YOUR CREDIT REPORT EVERY 6 MONTHS TO 1 YEAR

Correct and be aware of mis-reported items.

PAY YOUR BILLS ON TIME

There is nothing more important than payment history. Mortgage payment histories carry the most impact.

KEEP CREDIT CARD BALANCES BELOW 30% OF THE CREDIT LIMIT

Spread out the use of credit cards instead of maxing out one card and moving on to the next. Keep the balances low.

USE ACTIVE CREDIT CARDS AT LEAST EVERY 6 MONTHS

Showing activity and paying "as agreed" continually improves a score. It is NOT necessary to carry a balance, just pay on time.



DON'Ts

DON'T CLOSE ZERO BALANCE CREDIT CARDS

Closing credit cards lowers the available credit, which increases the balance-to-available credit ratio. Use this hint with reason and your personal situation. Three to five cards is adequate.

DON'T GO OVER YOUR LIMITS

Going over a credit limit is a double penalty on the score, as it affects the credit limit and credit ratio calculations.

DON'T CONSOLIDATE ALL DEBT ONTO ONE CREDIT CARD

If raising the credit score is your objective, consolidating credit card debt onto one card may not help if it takes the balance over 50% of the credit limit.