



Let's take a look

at how credit scores affect the bottom line. If three people, all with different credit scores purchased the same \$30,000 vehicle for 60 months, how would their monthly payments differ?

Credit Score	Monthly Payment	Interest Rate	Interest Paid Over Time
565	\$745.09	16.97%	\$14,705
620	\$579.57	5.97%	\$4,774
720	\$521.64	1.68%	\$1,298

This example shows that over time, people with better scores are able to save far more simply due to the interest rate charged. Lower scores are costly to the member!

Actions that Will Hurt Your Credit Score

- Missing payments—regardless of amount; it can take 24 months to restore credit with one late payment
- Credit cards at capacity
- Opening multiple trade lines in a short time frame
- Closing a credit card (this could lower available capacity)
- Having more revolving debt vs. installment debt
- Shopping for credit excessively
- Borrowing from finance companies

Improving Your Score

- Pay off and pay down your credit card debt
- Do not close credit card trade lines
- Move revolving debt into installment debt
- Pay on time (older, late payments will become less significant with time)
- Be cautious when opening new credit trade lines
- Acquire a solid credit history with years of experience

Credit Weight for Each Year of History

- 40% Current to 12 months
- 30% 13 – 24 months
- 20% 25 – 36 months
- 10% 37+ months