



How Foreclosure Affects Credit

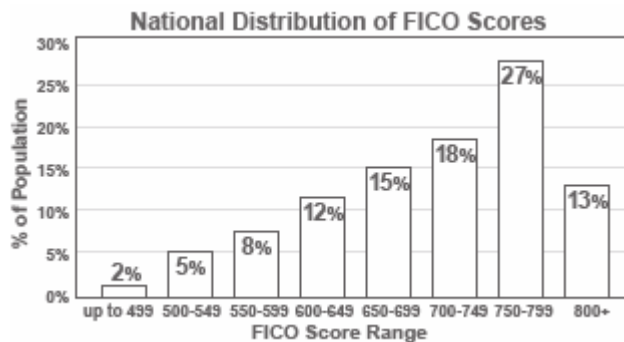
When borrowing money nearly all lenders use credit scores to determine the risk of loaning money to consumers. Your credit score is determined by several factors which the major credit bureaus review and then use a “trade secret” formula to determine your credit score.

About credit scores

When you apply for credit – whether for a credit card, a car loan, or a mortgage – lenders want to know what risk they'd take by loaning money to you. FICO® scores are the credit scores most lenders use to determine your credit risk. You have three FICO scores, one for each of the three credit bureaus: Experian, TransUnion, and Equifax. Each score is based on information the credit bureau keeps on file about you. As this information changes, your credit scores tend to change as well. Your 3 FICO scores affect both how much and what loan terms (interest rate, etc.) lenders will offer you at any given time. Taking steps to improve your FICO scores can help you qualify for better rates from lenders.

About FICO scores

Credit bureau scores are often called “FICO scores” because most credit bureau scores used in the U.S. are produced from software developed by Fair Isaac and Company. FICO scores are provided to lenders by the major credit reporting agencies.



In order to obtain the most favorable financing you want your credit score to be above 700. **A foreclosure on your credit score can keep your score under 600 for up to three years** and may show on your credit report for seven years. **A bankruptcy can keep your credit score under 600 for up to five years** and may show on your credit report for ten years.

www.Save-MyCredit.com

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If you participate with your lender in a short sale your credit could return to over 700 within six months!

How Foreclosure Affects Credit Scores

**On a Scale of 1 to 10
(With 10 being the worst)**

Bankruptcy – 10

A bankruptcy can keep your credit score under 600 for up to five years and may show on your credit report for ten years.

Foreclosure – 7

A foreclosure on your credit score can keep your score under 600 for up to three years and may show on your credit report for seven years.

Short Sale – 3

If you participate with your lender in a short sale your credit could return to over 700 within six to twelve months!

Late Credit Card Payment – 1

Most one time late payments only effect your credit for 1-3 months!