Is a 705 a good credit score

Flying Colours Ltd/Getty Proving you're worth a low loan rate or a new credit card is not easy in today's lending world. Two years ago, 620 on the 300-to-850 scale could have snagged a reasonable mortgage rate. Now you need at least 760 to get today's best rate of 5.6 percent or so. You can increase your score without winning the lottery in as little as a month. Here's how. 1. Get your current credit score. Most lenders use the so-called FICO formula developed by bank consultant Fair Isaac Corporation because it is considered the most accurate. Go myfico.com order a result ($15.95) based on your report from any of the largest offices— Equifax, Experion, or Trans-Union. You will get it immediately, online. When you receive a number, you'll see personalized tips tailored to your debt history and credit habits. 2. Pay off everything you can. Lenders like to see that you're spending your funds, which means using less of your credit limit – the lower the percentage, the better, says Barry Paperno, credit scoring expert at Fair Isaac. Gradually paying off $2,250 from the maxed-out $2,500 limit would increase the 670 score to 750. Ask your card issuer about credit line increases, too. If you increase but don't charge any more, this step will reduce the percentage of your credit limit being used. 3. Don't be. Make sure your credit card bills are paid on time, even if you can afford only the minimum, says Liz Pulliam Weston, author of Your Credit Score: How to fix, improve, and protect the 3-digit number that shapes your financial future. One missed payment can knock 100 points off your score. Better yet, follow your account online and send a check before the end of the card cycle. 4. Piggyback on better credit. If your spouse has an account with a good, long history and a high limit, ask him/her to ask your card issuer to add you as an authorized user. Authorized users don't share responsibility for debt, but a positive payment history gets taken into account in their score, says John Ulzheimer, president of consumer education credit.com. 5. Curb credit cravings. Applying for a new card can tell the financial institutions that you are planning to take on a new debt. This can raise your risk as a borrower, says Ethan Ewing, president bills.com, a money management website. There could be a 5- to 10 point credit score drop soon after you get the card, so consider waiting a few months before applying for a mortgage or car loan. 6. Remove the errors. According to paragraph 80, up to 80 per cent of the reports have at least one bankrate.com error. You can get a free report every year from all three credit offices. Pull one out of another office every four annualcreditreport.com regularly comb for mistakes. If you find someone, send the offices the correct information. 7. Do not go only to clear It takes good borrowing behavior to reduce the impact of bad things like maxing out on a single card. If you hit your limit, your score could drop by 30 points in one but if you get your balance below 10 percent of the limit, that card you can restore your score. This content is created and maintained by a third party and is imported to this page to help users provide their e-mail addresses. You may be able to find more information about this and similar content piano.io Likes or Not, your credit score is one of the most important numbers in your life, ranking there with your Social Security number, date of birth, and wedding anniversary. This three-digit number is your financial statement card, except for not getting rid of it after college. Your credit score shows lenders how trustworthy you are when it comes to managing your finances, and it can either save or cost you thousands of dollars throughout your life. If you're in the dark about how significantly this number can affect you and the details behind your personal results, here's an overview of what you need to know before hitting the mortgage filing process. As your score is calculated your FICO credit score consists of five elements, according to Fair, Isaac Corp. Buy Home: Step by Step Smooth way to your new home with the right support system. Buy Home: Step by step How to find exactly what you want and how to work with experts to help you get it. Buy Home: Step by step These 10 cash and time saving steps can help you craft a winning bid. Buy Home: Step by Step From finding an inspector who deals with surprises – this is your guide to getting the house checked out. Buy Home: Step by step What to expect when to discuss, and how to proceed when things don't go your way. 35% of your score is attributable to how you pay your bills. Points are added on time and deducted for late or missing payments. Note: This is a big part of your score, so if you don't pay the bills on time, it's best to get that controlled pronto. 30% of your score is based on your credit utilization ratio. Translation: How much money do you owe as part of the amount of credit available to you? The lower this ratio, the better. 15% is based on the length of your credit history. When you opened your first account (and is it still open)? 10% of your score goes to the type of credit you have. Think revolving loans (such as credit cards) and deposit credits (such as auto loans and mortgages). The last 10% are affected by new loan applications. How often and for what type of credit do you apply for? Where to find your score and report To access your credit report, use a website like annualcreditreport.com that will give you one free report per year, or a creditkarma.com that will give you free access to your score by registering for an account. Once you have you have copies of your message and the result, immediately search for fraudulent or erroneous information. If you find anything, contact both the credit reporting agency and the company immediately, displays inaccurate information to determine the next Buy and sell Here's how to price your home to sell quickly. Buy and sell No dumb questions ask a real estate agent. Buy and Sell Buying a house is exciting. Arguing when buying a house? Not so much. Here's how to keep calm while house hunting. As your score can cost you your score can range from about 300 to 850. You'll find different breakdowns of what is considered good compared to ripping against the poor, but overall you want the goal to score 720 and higher, which is an excellent range. The higher your credit score, the more creditworthy you appear to be lenders (which means they can rely on you to pay your debts and pay them on time), which means lower interest rates and more money to save on taking out the loan. Not sure how this can be financial? Consider this: Meet Claire: She's 35, pays her credit card off in full each month, has all her bills for auto-projects, and never misses a payment. She had a positive credit history for 10 years and wants to buy a home. Claire was approved for a $200,000, 30-year fixed-rate loan of 3.75%. Meet Steve: He's 32, got his first credit card at the age of 18, ran some debt in college that he's still working on paying down, and has no system to track bills. He has been consistently late and bounced to check the charge. Steve wants to buy a home and was approved for a $200,000, 30-year fixed-rate loan of 5.5%. What is all the fuss about if they were both approved? Throughout the life of her loan, Claire will pay $133,443.23 percent. Throughout the life of his loan, Steve will pay $208,808.08 percent. A small interest rate spread of 1.75% turns into $75,364.85 more paid by Steve! $75,000 is a pretty significant amount of money that could be used against other purposes. Having a solid credit score is one of the most financially savvy tools for you to have on hand when it comes to buying a home. Once managed wisely, your credit score will give you confidence, peace of mind, and more money to save through low interest rates. When wrong or not cared at all, your credit score can delay your success in achieving financial goals and create additional funds and resources spent on correcting past mistakes. Related: 7 Credit Score Myths Even Cute Home Buyers Fall For Credit Score is a Number Representing a Person's CreditWorthiness. The number of credits is based on different personal financial data. Higher credits correlate with better creditworthiness. Financial institutions judge people with higher credit scores to have lower credit risk, and give them a wider choice of credit products with lower interest rates. Fair Issac Corp. (FICO) and VantageScore Solutions are two of the leading U.S. credit score companies. A deeper definitionFair Isaac Corp. originated the concept of credit score – which it calls fico score – in the 1950s. Fair Isaac's insight was to offer financial institutions a view of their customers using a simple numerical grade, grade, 300 lowest credit scores and 850 best. The company claims that 90 percent of top U.S. lenders use FICO scores to make decisions. VantageScore Solutions is a joint venture between three leading loans: TransUnion, Experian and Equifax. Each borrower's VantageScore credit score is generated using information about credit payment history (35 percent of the weighting), total debt load (30 percent of the result), length of credit history (15 percent), new credit (10 percent), and a mix of loans such as revolving loans or fixed payment loans such as auto payment (10 percent). Different lenders have different needs for information about their customers' credit risk and creditworthiness. Credit bureaus issue different credit scores using only certain aspects of a person's financial history to assess risks to special needs, such as a car dealer or mortgage lender. Companies like Fair Isaac and VantageScore Solutions offer more than one result to you. The credit score can change regularly as people pay off credit cards, pay off loans, and open new credit lines. People who want to track their credit scores often sign up for credit reporting services; some of these services update credit scores every month, while others update them more often. Credit score examplesFICO scores and VantageScores range from excellent to very poor: Excellent: FICO = 800-850; VantageScore = 750-850 Very Good: FICO = 740-799 Good: FICO = 670-739; VantageScore = 700-749 Fair: FICO = 580-669; VantageScore = 650-699 Bad: VantageScore = 550-649 Very poor: FICO = 300-579; VantageScore = 300-549 Want a better credit score? Pay off your debt. Use our calculator to find out your debt-to-income ratio, then plan your cost strategy. Strategy.