CREDIT SCORES
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Understanding Your Credit Score
Below we'll go over various credit score ranges and what they mean (excellent, good, fair or bad credit scores), as well as the different types of scores. One of the easiest mistakes commonly made is that all the scores are based on the same score formula. While most score models are similar, there are some that drastically differ from the other score models. FICO is the most common and the score most lenders use, but there are other scores out there... We'll go over the 3 most popular score models below. Do note, FICO has a new score, FICO Next Generation or FICO NextGen, which has has a score range that goes up to 950. It's also important to note that there are estimates of having roughly 1000 different credit score formulas. Why so many credit score formulas? Well, each lender typically has their own unique lending practices based around their own unique formula for risk management. Different lenders use or create different credit scoring formulas to fit their own needs. However, even with countless credit score systems, the score most used and most popular is the FICO score.

FICO Score
FICO, a credit score model by Fair Isaac Comany, is the leading score model. When you apply for a loan or credit card, the lenders will typically check your FICO score. There could be a host of reasons for this, some common theories are: they've been around the longest and because of that, lenders are more familiar with FICO, they have the best predictive risk calculations, FICO has built a solid reputation of consistency, or perhaps a combination of reasons.

Ultimately, your FICO score is the score you should pay the closest attention to, since it will be the one most viewed by lenders. The FICO score ranges from 300-850. A FICO score of 850 is nearly impossible to achieve, but it has been done. Typcially, any FICO score over 750 will net you the best rates and terms. However, any FICO score over 700 is looked upon as a good score and you shouldn't have too much trouble getting approved with a score over 700. The chart below goes into a little more detail of the FICO score ranges and which scores are good, bad and/or fair.

FICO Score Chart

FICO Score Range	Score Considered	Score Grade
FICO Score of 750-850	Excellent	A+ Credit
FICO Score of 720-749	Very Good	A
FICO Score of 680-719	Above Average	C+ to B+
FICO Score of 620-679	Below Average to Average	D- to C-

FICO Score Range	Score Considered	Score Grade
FICO Score Below 619	Poor	F

Plus Score The Plus Score is a score used by Experian. The Plus score is similar to the FICO score, but there are a few minor differences... The plus score ranges between 330-830, which is a similar range to FICO. The breakdown or score range grade is also similar to the FICO score.

Plus Score Chart

FICO Score Range	Score Considered	Score Grade
FICO Score of 750-850	Excellent	A+ Credit
FICO Score of 720-749	Very Good	A
FICO Score of 680-719	Above Average	C+ to B+
FICO Score of 620-679	Below Average to Average	D- to C-
FICO Score Below 619	Poor	F

The Vantage Score is a score used by Transunion and is most unique to FICO and Plus scores... Since the Vantage score range is very different compared to the other 2 popular score types (FICO and Plus Scores), one could think they have a good score in reality they're average. Having a 750 FICO score or 750 Plus Score both translates into you having a very good credit rating, but it would translate into average credit if it's a 750 Vantage Score. So it goes without saying, make sure you know which score is being used when you check your credit score.

Vantage Score Chart

Vantage Score Range	Score Considered	Score Grade
Vantage Score of 901-990	Excellent	A
Vantage Score of 801-900	Good	B
Vantage Score of 701-800	Average	C
Vantage Score of 601-700	Below Average	D
Vantage Score Below 501-600	Poor	F