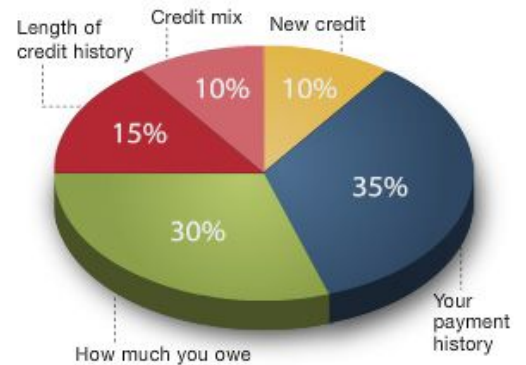


INTERACTIVE: FICO Credit Scores

As a reminder, this pie chart below describes how your credit score is calculated using 5 different components of your credit history. FICO offers this [credit score estimator](#), which we'll use for the activity below.

You've been assigned to be the credit counselor for Sam, Jessica, and Danielle, whose profiles follow. You'll use the FICO estimator to make your life easier. As you work through each detail, **enter it in the FICO estimator** and also **mark whether you think that factor improves (+) or decreases (--) his credit score.**



SAM SPENDTHRIFT is a college junior. He couldn't wait until he turned 21, so he could apply for a few credit cards. Here are some details about his profile:

#	Detail	+ or --
1	He currently has 3 credit cards	
1 (cont)	He got his first credit card 8 months ago	
2	He doesn't have any student loans	
3	He has applied for 5 credit cards in the last year (and had 3 applications accepted)	
4	He opened his last credit card 4 months ago	
5	All of his 3 credit cards currently have a balance, as he has had trouble paying off his card each month	
6	He has \$4,000 currently outstanding on all his credit cards	
7	He missed a payment in the last three months when he forgot to notify the card company that he had recently moved out of his apartment. He was 30 days behind on making a payment.	
8	He has no cards currently past due	
9	His credit card balances of \$4,000 are about 65% of his overall limits	
10	He has never gone through a bankruptcy or other proceeding	

1. What is Sam's estimated credit score?

2. What does Sam's score say about his creditworthiness?

3. As his credit counselor, what recommendations would you make to Sam to improve his credit score?

JESSICA CREDITSMART is a college senior. Her parents gave her a credit card when she turned 17 by making her an authorized user on their credit card. As an authorized user on their account, she benefited from her parent's diligent credit card habits. She also has a few student loans in college that she will start repaying after she graduates. Here are some details about her for the profile:

#	Detail	+ or --
1	She currently has 1 credit card	
1 (cont)	She got this first credit card more than 15 years ago. This is a great credit score hack; she benefits from the fact that her parents had this credit card for 15 years.	
2	She got her first student loan 3 years ago	
3	She has received one student loan in the last year	
4	She got that student loan over six months ago	
5	Only her three student loans carry a balance, since she and her parents always pay the credit card bill off in full every month	
6	She has \$15,000 currently outstanding on her student loans	
7	She (and her parents) have never missed a payment	
8	None of her loans or credit cards are past due (and her parents are always on time with their credit card)	
9	Since she and her parents pay off the bill every month, she has \$0 balance	
10	She has never gone through a bankruptcy or other negative proceeding	

4. What is Jessica's estimated credit score?

5. What does Jessica's score say about her creditworthiness?

6. As her credit counselor, what recommendations would you make to Jessica to improve her credit score?

DANIELLE DEBTFREE is also a college junior. She has always been very cautious with money and thinks her friends with credit cards are crazy. She pays only with cash and debit cards, and while she knows she can handle credit cards given her frugal ways, she doesn't want to ask her parents to sign off on a credit card for her, as she doesn't turn 21 for a few more months.

#	Detail	+ or --
1	She currently has no credit cards	
2	She has no loans outstanding	

7. What is Danielle's estimated credit score?

8. What does Danielle's score say about her creditworthiness?

9. As her credit counselor, what recommendations would you make to Danielle to improve her credit score?