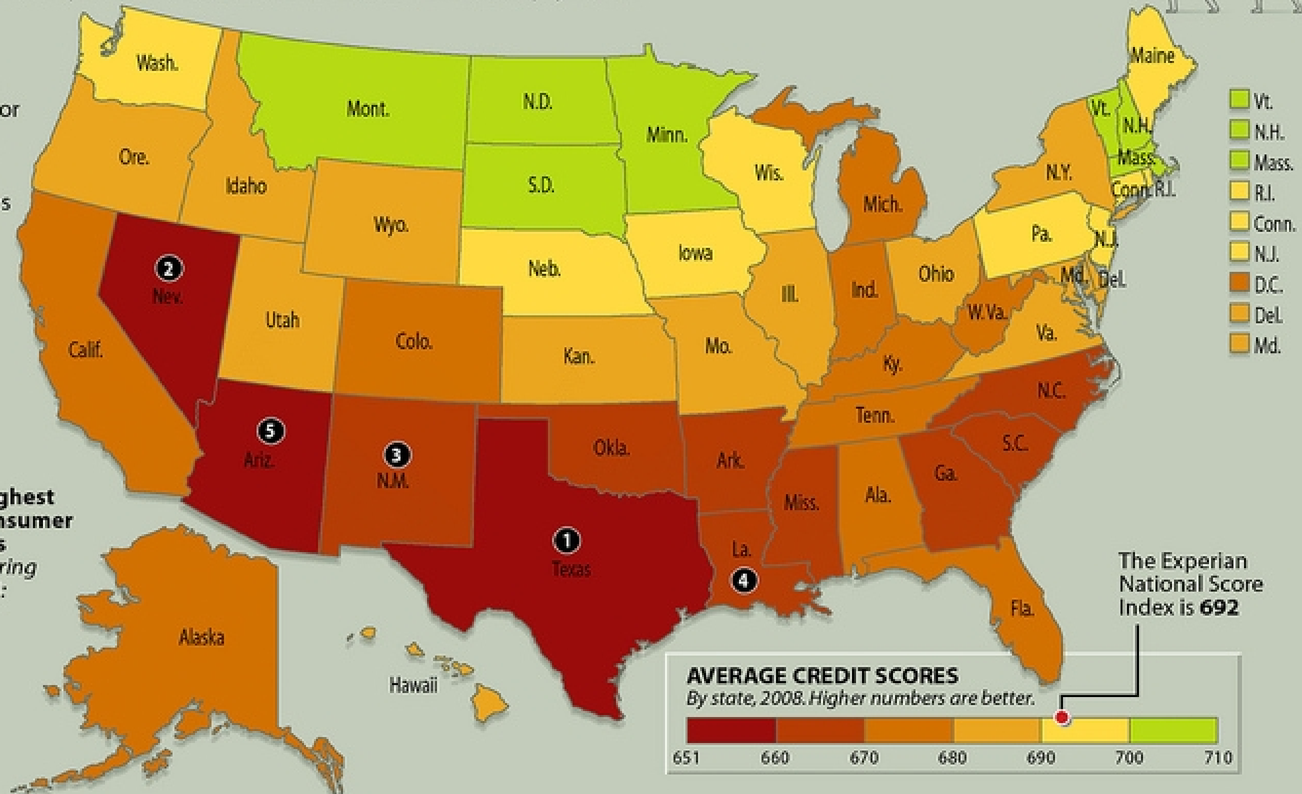
Financial Responsibility in the United States

Regardless of your financial situation, if you plan to borrow money for any reason — whether it be for a car, a student loan, credit cards or a mortgage — you'll be judged on your credit score. Having a less-than-ideal credit score could mean up to thousands of dollars difference in interest payments.

To get the most favorable interest rates, you'll need a credit score of 720 or higher. Someone with a credit score of 520 will receive higher interest rates on loans — up to four percentage points — than someone with a 720 credit score.



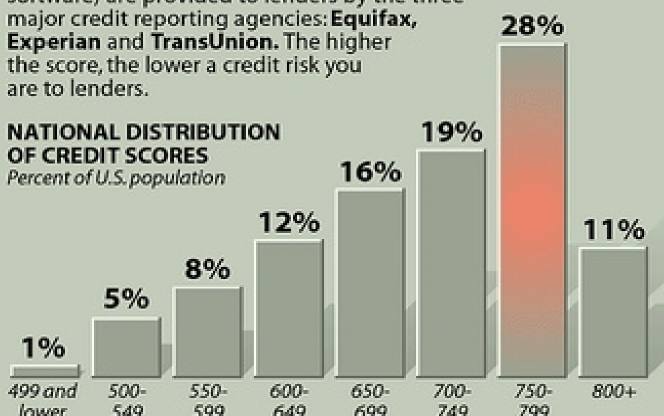
States with the highest propensity for consumer bankruptcy filings *(likelihood to file during the next 12 months):*

1. **Texas**
2. **Nevada**
3. **New Mexico**
4. **Louisiana**
5. **Arizona**

Your credit score

FICO scores (credit-bureau ratings produced by Fair Isaac and Co. software) are provided to lenders by the three major credit reporting agencies: **Equifax, Experian** and **TransUnion.** The higher the score, the lower a credit risk you are to lenders.

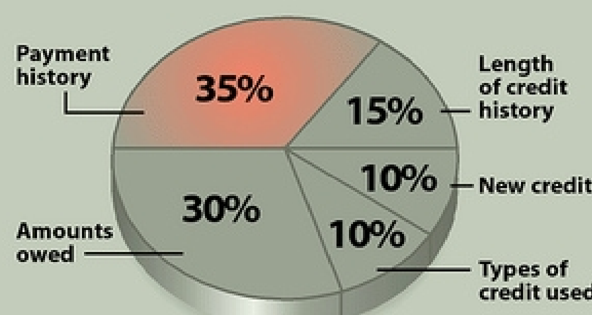
NATIONAL DISTRIBUTION OF CREDIT SCORES
Percent of U.S. population



No credit score says whether a specific individual will be a "good" or "bad" customer and there is no single "cutoff score" used by all lenders. There are many factors that lenders use to determine your actual interest rates.

What's in your FICO

FICO scores are calculated from a lot of different credit data in your credit report. This data can be grouped into five categories as outlined below. The percentages in the chart reflect how important each of the categories is in determining your score.



These percentages are based on the importance of the five categories for the general population. For some people — for example, those with a short credit history — the importance of these categories may be somewhat different.

Top tips to sweeten your score

1 Be diligent Once per year, get a copy of your credit report. Scrutinize it and make sure the information is correct.

2 Don't be late Always pay your bills on time. Late payments damage your score. Consider automatic payments through your bank account.

3 Know the FICO Understand how your credit score is calculated *(pie chart, above)* and do what you can to improve any deficiencies.

4 Make repairs If there are errors in your report, correct them. The Federal Trade Commission is a good resource for information. Beware of credit-fixing scams.

5 Get smart Don't max out your credit cards and pay the balance in full, if possible. Avoid opening new credit card accounts or closing down old, inactive ones.

SOURCES: creditreport.com; FairIsaac/FICO; Copley News Service; The Federal Reserve Board; Experian