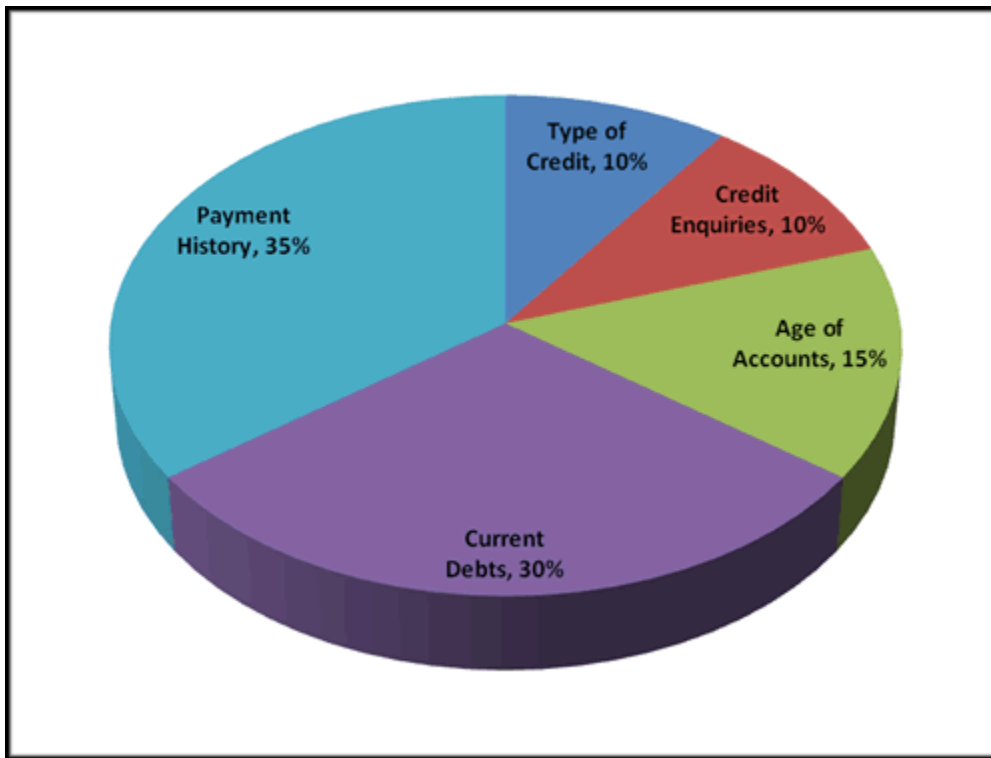


## Factors Affecting Credit Scores



Component	Weighting	Notes
Payment History	35%	Factors in the recency of, and number of, payments over 30 days late, collections, judgments, and bankruptcies. A single 30-day late payment can drop your score 15-20 points.
Current Debts	30%	Considers how much you currently owe (in absolute terms and compared with your credit limits), how many creditors you owe money to, and how much you <i>could</i> owe if you maxed all your available credit.
Age of Accounts	15%	The longer your accounts have been opened the better. You generally need at least three accounts over one year old.
Type of Credit	10%	Bank loans, credit cards, and revolving credit accounts all impact you differently.
Credit Enquiries	10%	Numerous credit applications in the past 12 months is a no no. This is a big benefit of mortgage brokers, who pull your credit only once for multiple lenders.

Besides the obvious (bankruptcies, judgments, etc.) the top Beacon killers are:

- Payments over 30-days late
- Maxing out credit cards (i.e. using over 70% of a high credit limit)
- Seeking too much credit in a short period of time (e.g. applying for 4 credit cards in one month)

If you have a lot of maxed out cards, bring them at least below 70% of their limit (Below 50% is better. Below 30% is best). Your credit score can jump considerably in as little as a month.

The moral is, know your credit score and manage it carefully. Over 70-80% of Canadians have mistakes on their credit report. Don't be afraid to [check](#) yours!