

From: greg carroll
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To: FACTAscoringstudy
Subject: FACTA Scores Study

FACTA Scores Study

my opinions and experiences with credit scoring.

1. Noone can give definitiive answers how it works. Not even Congress. How can you determine if something is fair if you do not know how it works.
2. I was turned down for an FHA mortgage that was not supposed to be score based at all. But not until after my credit report and score were pulled. Suddenly my debt to income ratio inflated an additional 300 dollars. (Even though there is no way to ascertain this from my reports). I never even received a denial of credit letter.
3. The credit reporting agencies do not even know what affects the score. Equifax told me the fact that it stated on one account that had been paid off for 5 years " Current Status 120 days late" did not affect my score. The score I had generated from Capital One Credit Watch service stated it was a major negative factor affecting my score.
4. Inquiries affect your score, but companies think little or nothing about making inquiries. I found out my Credit Union had already made an inquiry based on an online request I had made. They called the next morning to request if they could pull my credit and I told them no. As it turns out, they already had.
5. The score itself seems to be based on the previous month or "periods" score. I had 6 negative items removed from one CRA and my score only increased 5 points.
6. It is better to file bankruptcy than to pay your debts. I know people who have filed bankruptcy less than a year ago with higher scores than I have. I chose to pay my debts when I could have filed bankruptcy 6 years ago, so now I still have until they are all paid plus 7 years before my credit begins to improve.
7. There are not supposed to be separate credit files. I am convinced that Capital One as well as many others keep separate files. After they charged off an account I was able to reopen it with them and pay off the original debt. The original charge off indication stayed on my report for 7 years though. Even now that it is gone and I have paid on time, despite their efforts to force late payments, they will not lower my interest rate to the same rate they advertise across the nation.
8. Credit has nothing to do with auto insurance. Rates should not have anything to do with how creditworthy you are deemed. It should have to do with how likely they are to have to pay for damages related to an accident.

9. The credit score is taking on a Social Class structure. It seems those that are highly educated and connected have higher scores even though they are often a higher risk. In my business I deal with many different levels of prosperity. I work for all of them. Those with the better credit scores are often less likely to pay than those with poor credit scores. That's my experience.