

Credit Score Basics — Word Search

Answer Key

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■ 8 Terms & Definitions

<p>SCORE</p> <p>A three-digit number ranging from 300 to 850 that summarizes your creditworthiness. Lenders use it to decide whether to approve loans and at what interest rate. The higher your score, the more financially trustworthy you appear to creditors.</p>	<p>FICO</p> <p>FICO stands for Fair Isaac Corporation, the creator of the most widely used credit scoring model in the US. FICO scores are calculated using five factors: payment history (35%), amounts owed (30%), length of credit history (15%), new credit (10%), and credit mix (10%).</p>
<p>DEBT</p> <p>Money owed by one party to another, typically with an agreement to repay with interest. In the context of credit scores, carrying too much debt relative to available credit — a high utilization ratio — can significantly lower your score.</p>	<p>REPORT</p> <p>A credit report is a detailed record of your credit history compiled by credit bureaus. It includes personal information, all credit accounts, payment history, hard inquiries from lenders, and public records like bankruptcies. You are entitled to one free report from each bureau</p>
<p>LIMIT</p> <p>A credit limit is the maximum amount a lender allows you to borrow on a revolving credit account. Staying below 30% of your available credit — ideally under 10% — is one of the most impactful ways to maintain a high credit score.</p>	<p>INQUIRY</p> <p>A credit inquiry occurs when a lender requests your credit report. Hard inquiries — triggered by loan or credit card applications — can temporarily lower your score by a few points. Soft inquiries, like background checks, do not affect your score at all.</p>
<p>DEFAULT</p> <p>A default occurs when a borrower fails to meet the legal obligations of a loan — typically by missing payments for 90–180 days. Defaulting can drop your credit score by 100+ points, trigger debt collection, and remain on your report for up to seven years.</p>	<p>BUREAU</p> <p>A credit bureau collects and maintains consumer credit information and sells it to lenders. The three major bureaus in the US are Equifax, Experian, and TransUnion. Each may have slightly different information, which is why your score can vary depending on which bureau a lender c</p>