

USA Today, CBS News, Orlando Sentinel, and Others Inadvertently Misinform Public through Journalistic Incompetence

CreditCards.com issues new report that contains both inadequate and misinformation while major media outlets fail to vet claims and clarify critical information

SAN RAFAEL, CA, UNITED STATES OF AMERICA, July 4, 2018

/EINPresswire.com/ -- [SubscriberWise](#), the largest issuing CRA for the communications industry and the nation's leading advocate for children victimized

by identity fraud, announced today clarification and correction of national news stories recently published by major media outlets including USA Today, CBS News, and the Orlando Sentinel (<https://www.cbsnews.com/news/millions-mistakenly-carry-credit-card-balances-to-improve-credit-scores/>).

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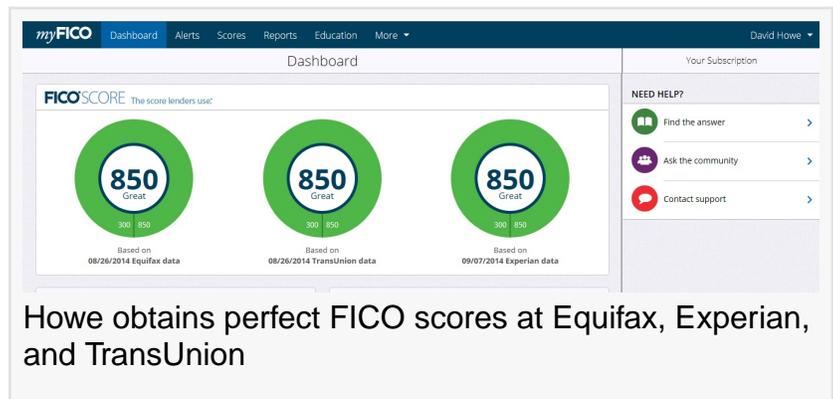
...there's not a single 850 FICO general-purpose score that has ever been calculated with zero obligations owing”
David Howe, SubscriberWise CEO and United States Credit Czar

The news and journalistic incompetence involves a credit misconception repeatedly trumpeted by major media organizations and others which has the potential to misinform consumers without further and substantial clarification. Moreover, the source of the survey from CreditCards.com contains categorically false and unsubstantiated information concerning the benefit – and scoring requirement – of credit utilization on the calculation of a credit score.

“I'll get right to the misreported information,” said [David Howe](#), FICO Certified Professional, [USA Credit Czar](#), and SubscriberWise founder. “The CreditCard.com survey reports the following:

‘The lower your credit utilization, the better your score will be. There is no credit scoring benefit to carrying a balance from one billing cycle to the next – it only increases the amount you have to pay as interest charges are then tacked on to the balance. I hear that myth all the time ... but it's never wise to carry a balance because you're going to end up paying more for that in the long run,’ Schmolli said.

“Although this information is well-intended and not entirely inaccurate – for instance it is wise to avoid paying interest whenever possible, it nevertheless contains a categorically inaccurate statement,” continued Howe. “While it is true that it's unnecessary to pay interest on credit card balances by ‘carrying’, or revolving, unpaid statement balances month-to-month, it is, in fact, necessary to have a balance reported at the national credit bureaus – with low utilization and a favorable payment history – to increase points with the dominant general-purpose FICO scoring models used by the world's largest banks, creditors, and lending institutions.



Howe obtains perfect FICO scores at Equifax, Experian, and TransUnion

Related: U.S. Credit Czar Howe Reveals FICO Secret Sauce

(<https://www.businesswire.com/news/home/20171006005807/en>)

“And that’s a crucial point that must be stated for the benefit of consumers,” Howe insisted. “It’s simply not acceptable from my professional perspective to fail to disclose the full details associated with this ‘myth’ for millions of consumers who are often confused by the mathematical complexities of rank-order scoring algorithms that may seem counter-intuitive and unreasonable to the untrained subject of the technology.

“Of course, much of this flows from the confusion about the meaning of ‘carrying’ a balance versus having a reported balance(s) at the moment a score is generated. In many ways it’s word-play and that’s why, from my perspective, journalists have a duty to more carefully describe the intricacies associated with scoring. They certainly have a duty to vet information and to substantiate the claims with credit report and scores to prove the claims.

“Frankly, I’m always amazed why the so called ‘experts’ – and the media – fail to expand and clarify this important reality. I think it has more to do with their lack of understanding of how and why credit scoring, and FICO models in particular, regularly increase points across non-derogatory and derogatory scorecards alike when credit reports are scored with more obligations owing than less.

Related: SubscriberWise founder and USA credit magnate Howe expands and corrects oversimplified content for the benefit of the credit consuming public (<https://www.linkedin.com/pulse/subscriberwise-founder-usa-credit-magnate-howe-expands-david-howe/>)

Related: Myth Busters: Do You Need to Carry a Balance on a Credit Card to Raise Your Score? (<https://www.magnifymoney.com/blog/building-credit/should-you-carry-a-balance-on-a-credit-card/>)

“To be sure, it is, in fact, necessary to ‘carry’ an installment balance (i.e. mortgage or auto-loan with fixed monthly payments) month-to-month to fully maximize the credit score. In other words, if a file at Equifax, Experian, or TransUnion contains no reported balances at the time of scoring – a credit report with zero obligations reported across every tradeline – the FICO score will be a lower score than a file that contains both a revolving obligation and an installment obligation reported with favorable utilization (less than 7 percent on revolving credit is ideal) along with tradelines paid-as-agreed.

“The same is true if the file only has a single credit card with a small balance reported at the moment a score is calculated compared to a file with every obligation reported with zero balances at the moment of scoring.



David Howe, SubscriberWise founder and US Credit Czar

“To be even more specific about the benefit of outstanding utilization on the calculation of a credit score, there’s not a single 850 FICO general-purpose score that has ever been calculated with zero obligations owing. In fact, a consumer must have both an installment balance reported as well as a revolving balance reported with low utilization and positive payment history, among other ‘Fair Isaac Leaves’ to achieve a perfect general-purpose FICO score.

“So, to proclaim ‘The lower your credit utilization, the better your score will be. There is no credit scoring benefit to carrying a balance from one billing cycle to the next’ as a myth is, ironically, a myth itself,” Howe confirmed.

“And rather than just mimic the same made-up advice and media misinformation that has been proclaimed by CreditCards.com and others recently and in the in the past, I’ll instead offer substantive facts sourced directly from the FICO score inventor -- the Fair Isaac Corporation -- with published facts to support the reality,” Howe concluded.

See video presentation with Fair Isaac Corporation sourced data to substantiate benefit of higher credit utilization versus lower as inaccurately stated by CreditCards.com:

https://www.youtube.com/watch?v=mgXOb-dq_4o&t=29s .

See printed FICO credit reports and scores with small balances reported and without:

- TransUnionFICO_Full_No_Debt_52_Point_Loss.pdf:

<https://www.docdroid.net/2v3lSel/transunionfico-full-no-debt-52-point-loss.pdf>

- TransUnionFICO_Full_Revolving_Balance__37_Point_Increase.pdf:

<https://www.docdroid.net/NbZyrMH/transunionfico-full-revolving-balance-37-point-increase.pdf>

About SubscriberWise

SubscriberWise® launched as the first issuing consumer reporting agency exclusively for the cable industry in 2006. The company filed extensive documentation and end-user agreements to access TransUnion’s consumer database. In 2009, SubscriberWise and TransUnion announced a joint marketing agreement for the benefit of America’s cable operators (<http://newsroom.transunion.com/transunion-and-subscriberwise-announce-joint-marketing-agreement>). Today SubscriberWise is a risk management preferred-solutions provider for the National Cable Television Cooperative.

SubscriberWise contributions to the communications industry are quantified in the billions of dollars annually.

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