

FICO Professor Howe Makes Public Challenge After CNBC's Yoni Blumberg Misreports the Myth Dispelled by FICO's Dornhelm

America's Credit Czar wants to finally set the record straight and educate the 'credit experts' about the impact of reported balances at the time of scoring

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No individual has ever obtained a perfect FICO 850 score without 'carrying' a balance. In fact, among other 'Leaves' FICO requires both an installment and a revolving balance to achieve perfection.”

*FICO Professor and
SubscriberWise CEO David
Howe*

[SubscriberWise](#), the nation's largest issuing CRA for the communications industry and the leading protector of children victimized by identity fraud, announced today the public challenge to CNBC's Yoni Blumberg -- and any other financial writers who may be interested -- who inadvertently misreport the information that consumers need to know about the impact of favorable utilization (low credit-to-debt ratios on credit obligations, particularly revolving accounts) on the calculation of FICO scores at the very moment a score is requested.

The public challenge is made by SubscriberWise founder and CEO [David Howe](#), the first and only consumer in global banking and financial history to achieve simultaneous perfect FICO and Vantage scores across every national

repository and to also report the details that continuously generate perfect scores to national reporters including at Bankrate.com (<https://www.bankrate.com>) and the Motley Fool (<https://www.fool.com>).

Related: (YouTube) Credit myth busted: FICO utilization explained by SubscriberWise founder and US Credit Czar David Howe -- <https://www.youtube.com/watch?v=vEchY2L1348>

“Almost immediately after Yoni Blumberg published the story ‘3 myths about what affects your credit score that FICO wants to clear up for you’ (<https://www.cnbc.com/2018/08/15/3-myths-about-what-affects-your-credit-score-fico-wants-to-clear-up.html>), I contacted him offering to discuss the misinformation that he published,” confirmed David Howe, SubscriberWise founder, [FICO GOAT](#), and America's child identity guardian. “Unfortunately, I never heard from Yoni and I've not seen a correction since the story was published on August 15, 2018.

“In the story, FICO's Ethan Dornhelm (<http://www.fico.com/en/blogs/author/ethan-dornhelm/>) correctly dispelled the myth that ‘One of the biggest misconceptions about FICO scores is that you have to carry a balance on your credit cards in order to build a credit history.’ Not surprisingly, Dornhelm was exactly right when he reported that ‘This is completely inaccurate,’” Howe confirmed. “The problem, however, is that Yoni apparently didn't understand what Dornhelm said. Yoni incorrectly reported the following as a myth: ‘Carrying a balance improves your score.’ But that's not what FICO's Dornhelm said at all. Dornhelm said that it's not necessary to carry a balance on your credit cards in order to build a credit history. And that's, in fact, accurate,” Howe emphasized.

FICO Fact: The minimum required to calculate a FICO Score: For a FICO Score to be calculated,

your credit report from the bureau for which the score is being calculated must contain enough information - and enough recent information - on which to base a credit score. Generally, that means you must have at least one account that has been open for six months or longer, and at least one account that has been reported to the credit bureau within the last six months (source: Fair Isaac Corporation, <https://www.myfico.com/credit-education/credit-scores/>).

"On the other hand, to say that 'Carrying a balance improves your score' is a myth - as reported by Yoni - is ironically not a myth at all. Because carrying a balance can and does improve a FICO score. Moreover, carrying both a revolving balance and an installment balance with favorable utilization is the most ideal scoring scenario for FICO's max 850 scorecard," Howe said. "Interestingly enough, and of course counter-intuitive to the untrained consumer, having no reported balances - having a credit report with zero obligations owing across every reported account - this will result in a notably lower score than one with one or two balances that each contain favorable credit-to-debt ratios.

Related: FICO Professor Howe Aligns 850 Perfection at Equifax, Experian and TransUnion with Never Before Published Reports Sourced Directly From Fair Isaac -- <https://www.businesswire.com/news/home/20171007005036/en>

"Yes, to reiterate, Dornhelm said correctly that it wasn't necessary to carry a balance on your credit cards in order to build a credit history," Howe added. "And that's very different from what Yoni reported as the first myth in his story: <https://www.cnbc.com/2018/08/15/3-myths-about-what-affects-your-credit-score-fico-wants-to-clear-up.html>. Dornhelm is right, while Yoni Blumberg got confused by the information FICO provided.

"So, to help Yoni - and any other 'expert' who fails to fully understand FICO scorecard technology and the impact of a reported balance(s) with favorable utilization at the moment a score is generated, I have a simple challenge," Howe continued. "I'll meet with any reporter anywhere and I'll let that reporter choose which repository to process my personal credit at Fair Isaac's 'myFICO' (<https://www.myfico.com>). We'll process the credit with zero obligations owing across all credit accounts. The result will be a general-purpose FICO score (range 300 to 850) of just under 800.

"We'll process again in a week or so after I make a small purchase on a revolving credit obligation and the purchase posts to the same repository the reporter initially selected. The result will be a boost to the credit score of approximately 37 points. The score will be around 835. It's that simple.

"I'll just 'carry' the balance for a few days until it books on the credit report and then we'll process the score and watch it soar!" Howe proclaimed.

"And once the facts have been revealed, it will be my sincere pleasure to help Yoni and the others understand how to adequately report this information for the benefit of the credit consuming population. I'll help Yoni and the others perpetuate the correct information that will help consumers rather than confuse with word-play and misleading information that, unfortunately, continues to make its way onto major media sites without correction.

"To be sure, that's the desire and goal of the Credit Czar," Howe concluded.

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