

FICO 850 Not Possible without Open Balances on Both Installment and Revolving Accounts at Moment Score is Calculated

Among a myriad of factors, no individual can reach a general-purpose 850 FICO without two types of credit accounts reported owing when score is calculated

CHARLOTTE, NC, UNITED STATES OF AMERICA, September 4, 2018 /EINPresswire.com/ -- [SubscriberWise](#), the nation's largest issuing CRA for the communications industry and the leading protector of children victimized by identity fraud, confirmed today the specific mix of credit – among a myriad of required FICO segments (also known as '[Fair Isaac Leaves](#)') – that must be present with favorable utilization (credit-to-debt ratios) in every single scoring scenario to reach a perfect 850 general-purpose FICO score.

According to SubscriberWise founder and FICO professor [David Howe](#), the necessary mix of credit accounts required for a perfect FICO 850 involves one installment account and one revolving account. Each account must have an open balance with favorable credit-to-debt ratios at the very moment a score is calculated. In general, to fully maximize a FICO score, a credit-to-debt ratio of 5 percent or less is indicated for the one revolving account; for the installment account, the utilization ratio can be much higher -- for example near 50 percent before any loss of points. Without any reported debt at the moment a FICO score is generated and assuming an otherwise 'perfect' scoring scenario, a consumer can experience a point-loss of more than 50 points.

For any reported account, FICO algorithms will only award the maximum possible points when the 'date opened' indicated is aged approximately 12 months or longer. In other words, a newly reported credit account will have a negative - albeit minimal - impact on the calculation of the FICO score. For this reason, FICO provides the advice to consumers to 'open accounts only when necessary'.

FICO Fact: The amount of credit you're using is a very important category of credit data for the FICO Score. FICO Scores consider the total balance owed, how many accounts have balances and how much of your available credit you're using. Payment history is the number one factor in the calculation of a credit score, 35 percent (source: Fair Isaac Corporation).

According to consumer credit information sourced directly from Fair Isaac Corporation, FICO will report a credit file with no reported balances (zero debt across every account) and an otherwise perfect scoring scenario as 'Very Good', at best. Conversely, and what may seem counter-intuitive, in examples where an installment loan and a revolving account have debt reported, FICO will report this as 'Exceptional' -- despite the amount of reported debt assuming utilization ratios remain favorable.

It's this 'debt-positive' scoring reality that explains why Dave Ramsey calls the FICO score 'an I love debt score' (<https://www.daveramsey.com/blog/the-truth-about-your-credit-score>).

Related: FICO 850 Formula Shared to Contradict Conspiracy Theorists and Better Educate Adult Credit Consuming Population -- <https://www.einpresswire.com/article/433748993/fico-850-formula-shared-to-contradict-conspiracy-theorists-and-better-educate-adult-credit-consuming->

[population](#)

Although having favorable utilization on these specific types of credit accounts is the most ideal for consumers seeking to fully maximize their FICO score, it's also important to note that the absence of this specific scenario will not prevent a consumer from obtaining an otherwise 'super-prime' FICO score (FICO 760 and higher).

Specifically, the maximum possible FICO score with zero debt reported across every tradeline is a 798 FICO (FICO Score 8 model) -- assuming the 4 other primary factors of a FICO score are also favorably indicated at the moment the score is calculated (<https://www.myfico.com/credit-education/whats-in-your-credit-score>).

Unfortunately, the facts about necessary utilization (credit-to-debt ratios at the moment a score is calculated) remain a profound source of confusion even among 'expert' financial writers.

Related: FICO First Lord Explains How Zero Debt Translates into a 52-Point FICO Loss -- <https://www.einpresswire.com/article/413111223/fico-first-lord-explains-how-zero-debt-translates-into-a-52-point-fico-loss>

The two dominant FICO models in use today (FICO Score 8 and FICO Score 9) each have more than a dozen scorecards, including non-derogatory and derogatory for the most accurate segmentation and rank-order.

Related: FICO Professor Howe Makes Public Challenge After CNBC's Yoni Blumberg Misreports the Myth Dispelled by FICO's Dornhelm -- <https://www.einpresswire.com/article/460653129/fico-professor-howe-makes-public-challenge-after-cnbc-s-yoni-blumberg-misreports-the-myth-dispelled-by-fico-s-dornhelm>

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