



THE FICO FORMULA: UNDERSTANDING YOUR CREDIT

About Me



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Clay Robison is a nationally recognized award-winning Mortgage Advisor, with over 30 years of Mortgage Lending experience. With his educational approach in the mortgage process, Clay has helped over 2,400 families obtain financing to secure the home of their dreams.

As a consistent Top 1% Mortgage Loan Originator who has secured more than \$1 Billion Dollars of loan volume for his clients. Clay uses his vast knowledge in the industry to guide his clients through the complexities of the lending process with easy-to-understand concepts to simplify the lending process. With his commitment to providing "World Class Service," Clay has been acknowledged as a Top "5" Star Mortgage Professional.

Clay's thoughts and insights have been featured in numerous publications such as San Diego Magazine and 5 Star Professional. He is a graduate of San Diego State University, a licensed real estate broker, and a register investment advisor. As a mortgage advisor, Clay can simplify the complexities of the mortgage process for anyone who is looking to secure their first, second or investment property.

Why Your Mortgage Sensei?

Many people have asked me what is a Mortgage Sensei? Simply put Sensei is a Japanese word for Teacher.

When you are financing the largest transaction of your life, you want to know that the person you are working with is a professional. That they can guide you through the mortgage process. You want someone who can be your "guide" or "sensei".

Most of my life, I have been involved in Japanese Karate and Martial Arts. I have been blessed and fortunate to have been trained, taught, and guided by some of the most accomplished and amazing Sensei's in the World. They have helped me become an accomplished martial artist.

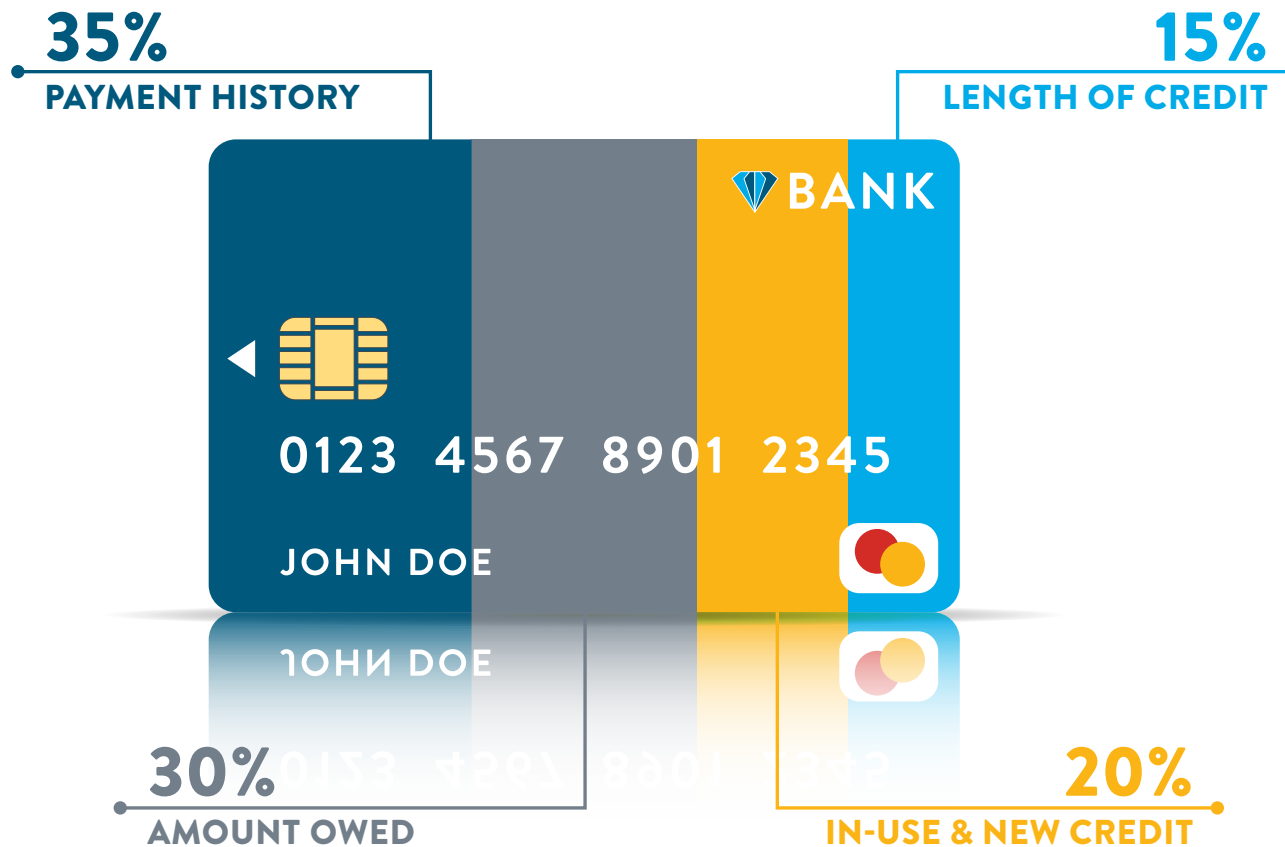
With over 30 years of Mortgage Lending, Real Estate and Financial Experience, I share my knowledge with my clients to teach and guide them through the sometime complex environment of Mortgage Lending. After you do something repeatedly through repetition you become a Master.

By being a Sensei, I am a guide to assist you in the intricate, complex, and volatile world of Mortgages. I am here to be Your Mortgage Sensei, to guide you through your journey.

TABLE OF CONTENTS

- How FICO Scores are Calculated 3
- What is not part of the FICO formula? 4
- Payment History 5
- Amounts Owed 6
- In-Use & New Credit 7
- Length of Credit History 9
- Putting it all Together 10
- About American Pacific Mortgage 11

HOW FICO SCORES ARE CALCULATED



Source: myfico.com/crediteducation

THINGS TO CONSIDER

The weight of each category varies from person to person

The weight of each category depends on many individual factors

The FICO formula can change as a person's credit report changes



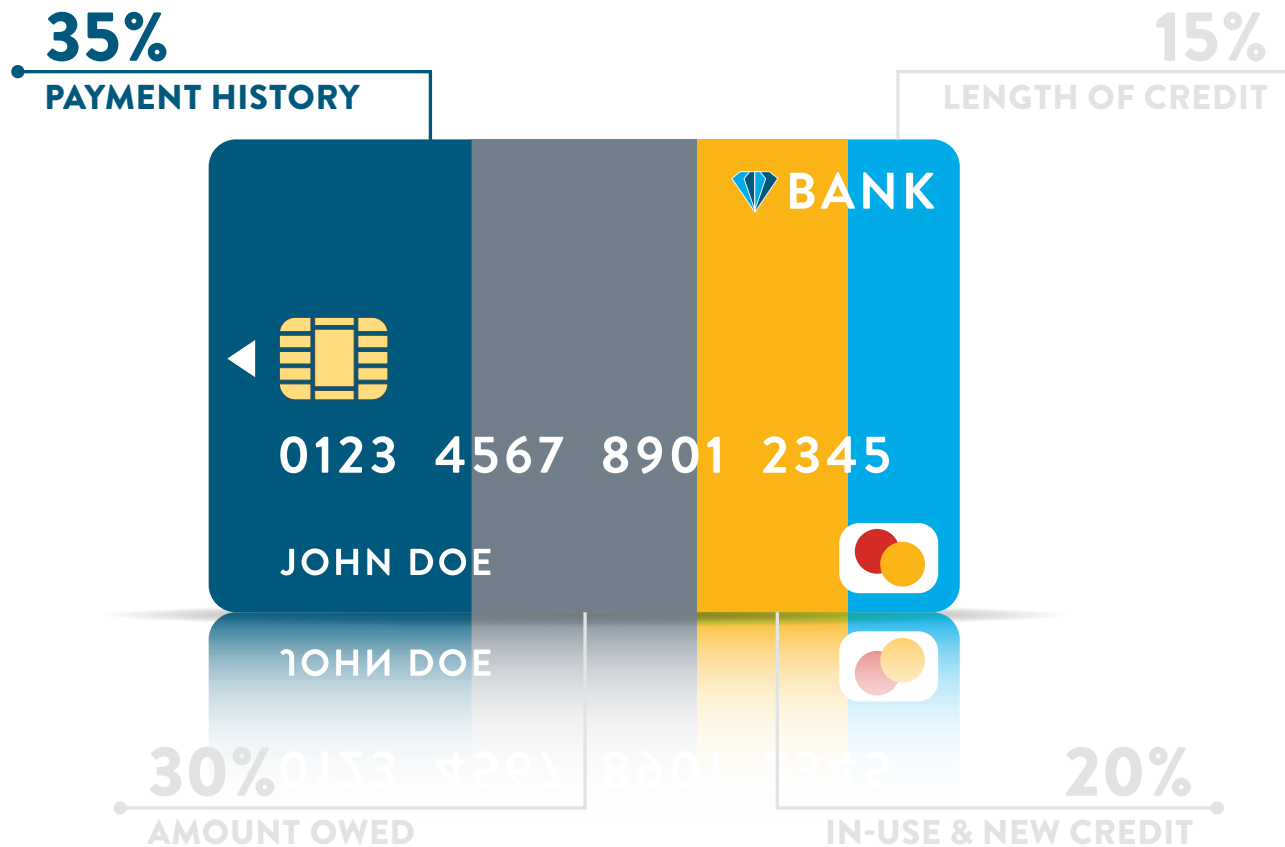
WHAT IS **NOT** PART OF THE FICO FORMULA

- ▶ Race, color, religion, national origin, sex or marital status
- ▶ Age
- ▶ Salary, occupation, title, employer, date employed or employment history
- ▶ Where you live
- ▶ Interest rates on credit cards or other accounts
- ▶ Child and/or family support obligations
- ▶ Certain types of inquiries (credit report requests)
- ▶ Any information not found in your credit report
- ▶ Any information on your credit report that isn't proven to be predictive of future credit performance
- ▶ Whether or not you are participating in a credit counseling

Source: myfico.com/crediteducation



PAYMENT HISTORY – 35%



Source: myfico.com/crediteducation

THINGS TO CONSIDER

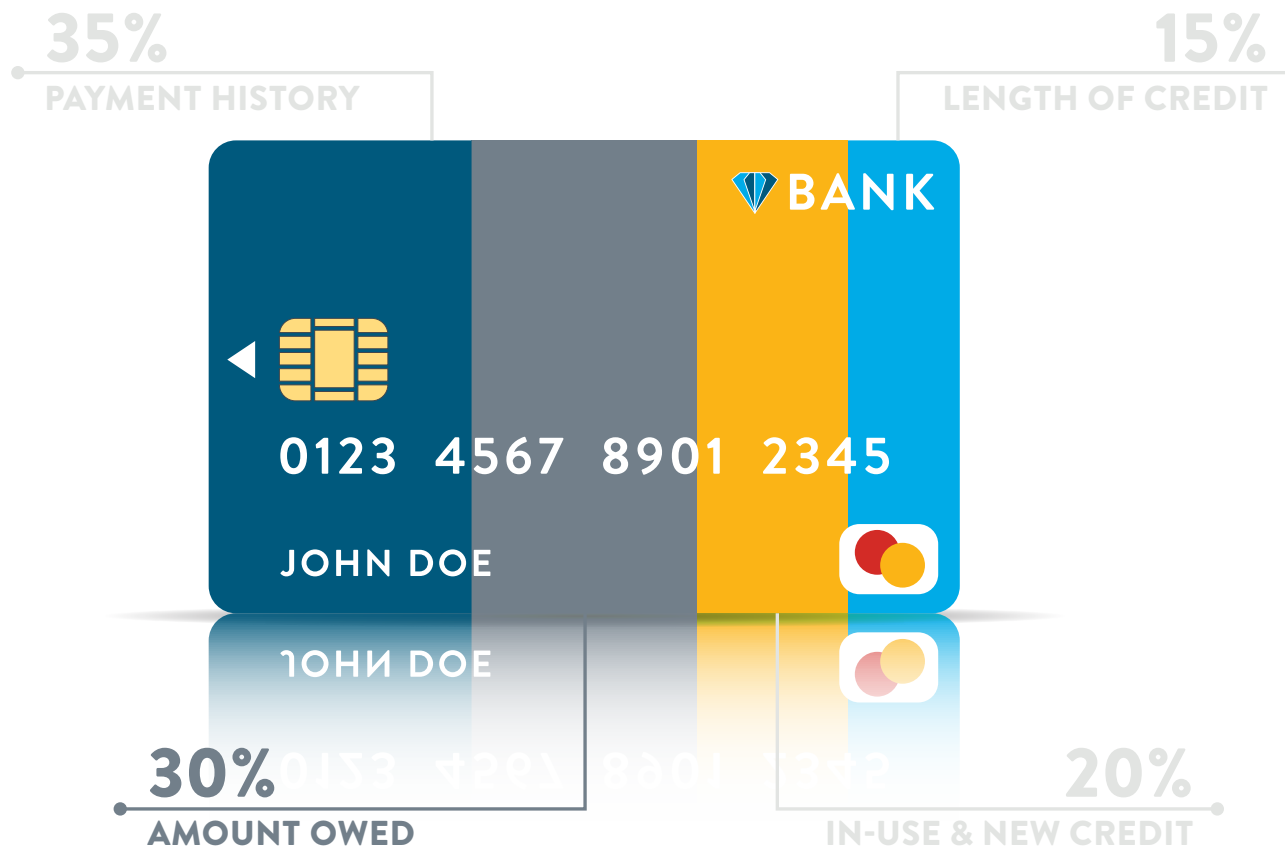
Whether credit obligations have been paid on time in the past

Overall “good picture” outweighs a few late payments

Public records and collection items can have a big negative impact



AMOUNTS OWED – 30%



Source: myfico.com/crediteducation

THINGS TO CONSIDER

Owing money doesn't necessarily mean you're high-risk

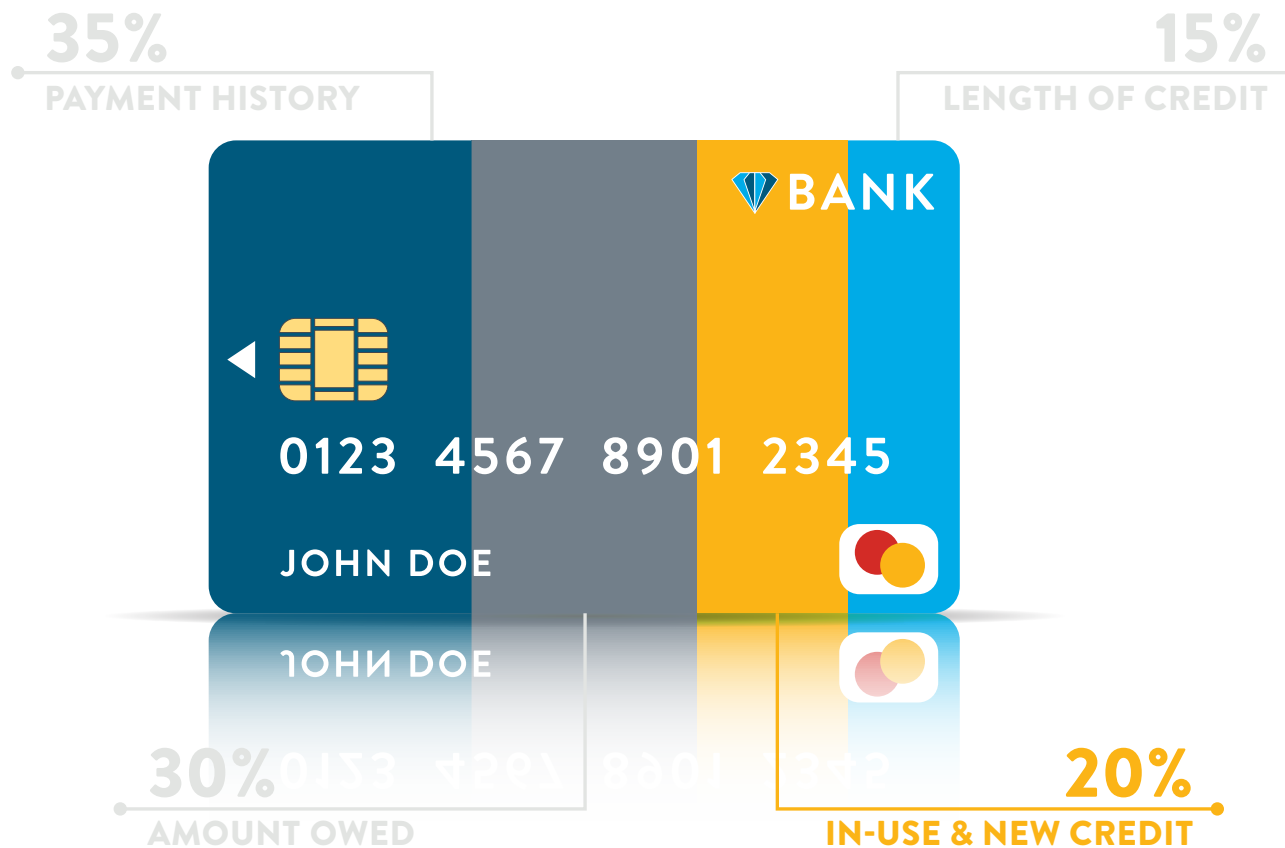
Being close to the "maxed out" limit on your credit or credit cards can be concerning

The number of accounts with balances matters

Low usage of revolving debt often benefits credit score vs. no usage



IN-USE & NEW CREDIT – 20%



Source: myfico.com/crediteducation

THINGS TO **CONSIDER** *IN-USE CREDIT*

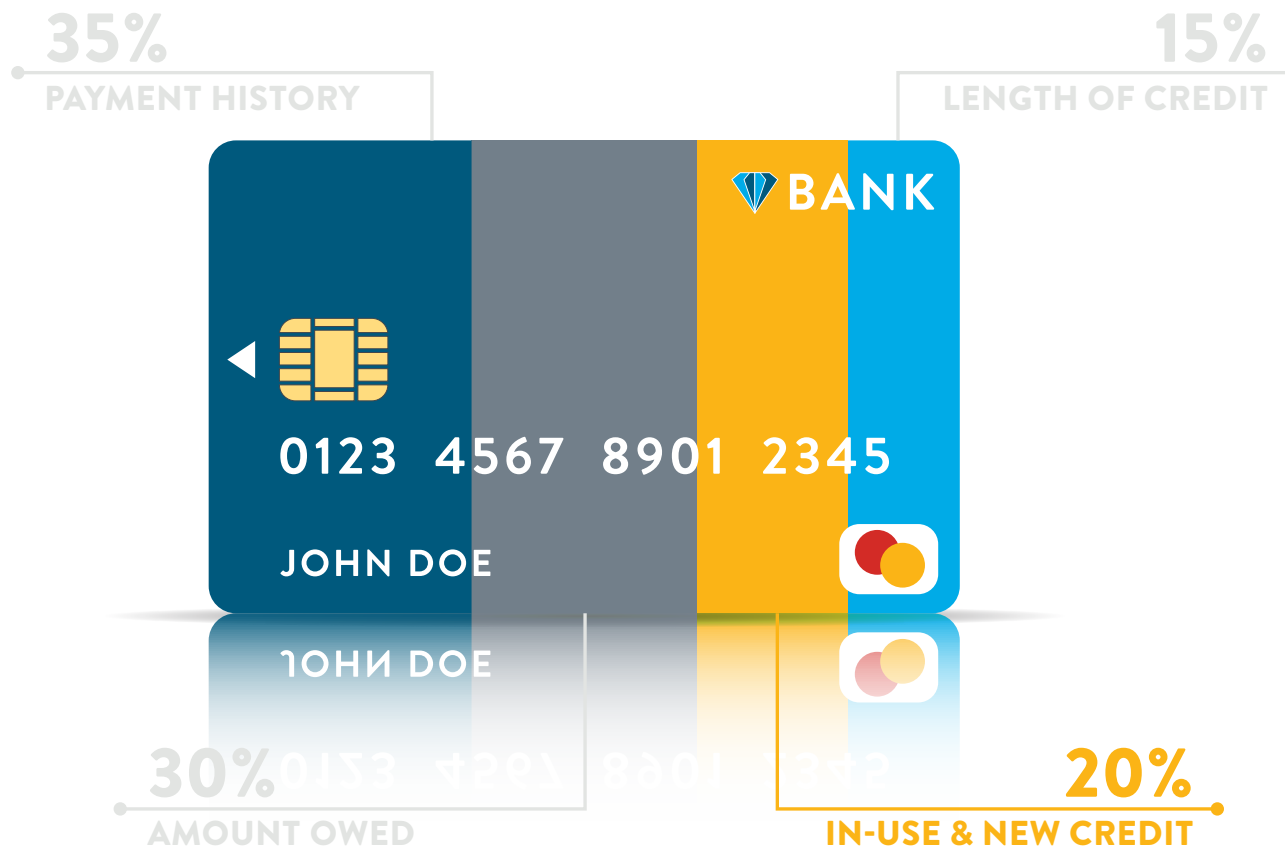
Usually not a key factor

More important with short credit histories

A mix of different types of credit accounts can help scores



IN-USE & NEW CREDIT – 20%



Source: myfico.com/crediteducation

THINGS TO **CONSIDER** NEW CREDIT

Opening several new accounts in a short period of time represents greater risk

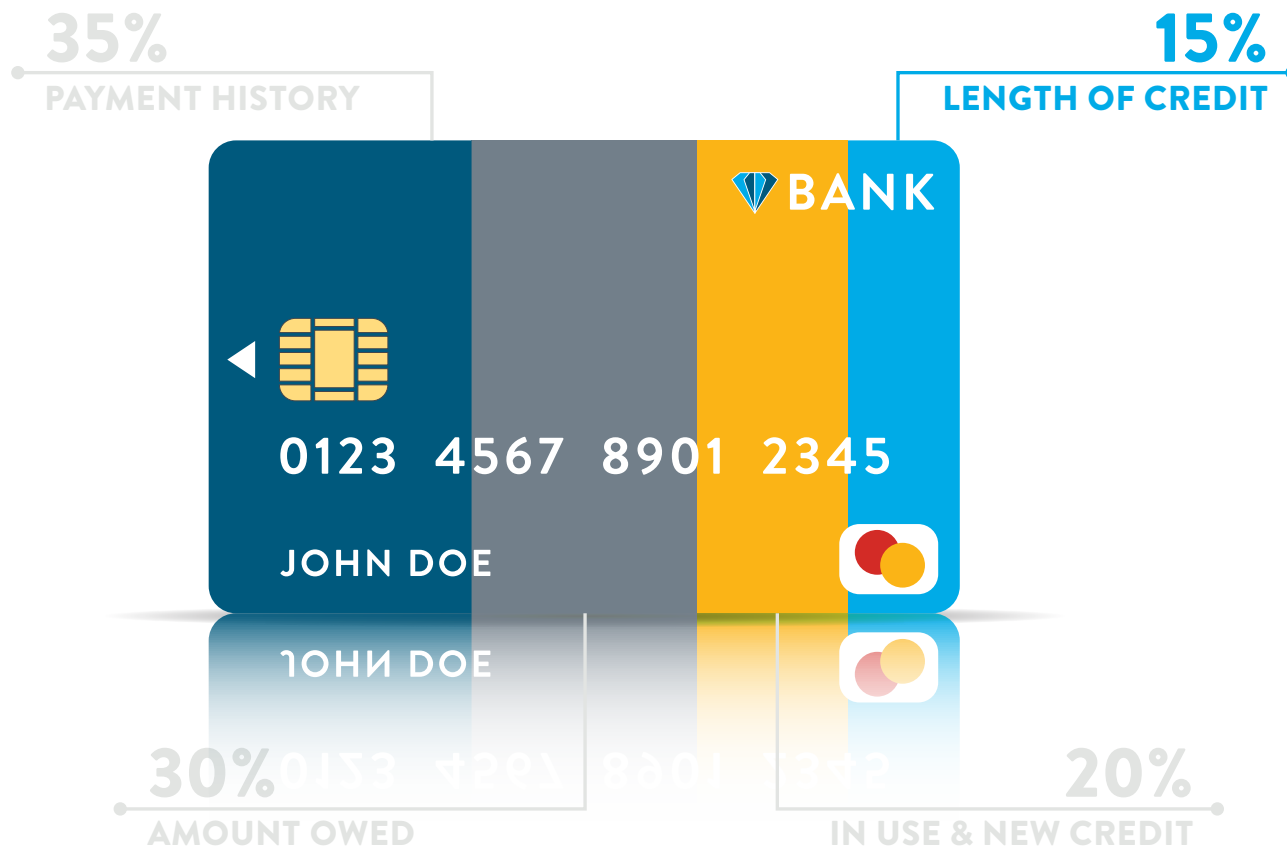
Inquiries have a small impact on scores

Many types of inquiries are ignored

FICO scores allow for "rate shopping"



LENGTH OF CREDIT HISTORY – 15%



Source: myfico.com/crediteducation

THINGS TO CONSIDER

Longer credit history is generally beneficial

Age of the oldest, newest and average account are considered

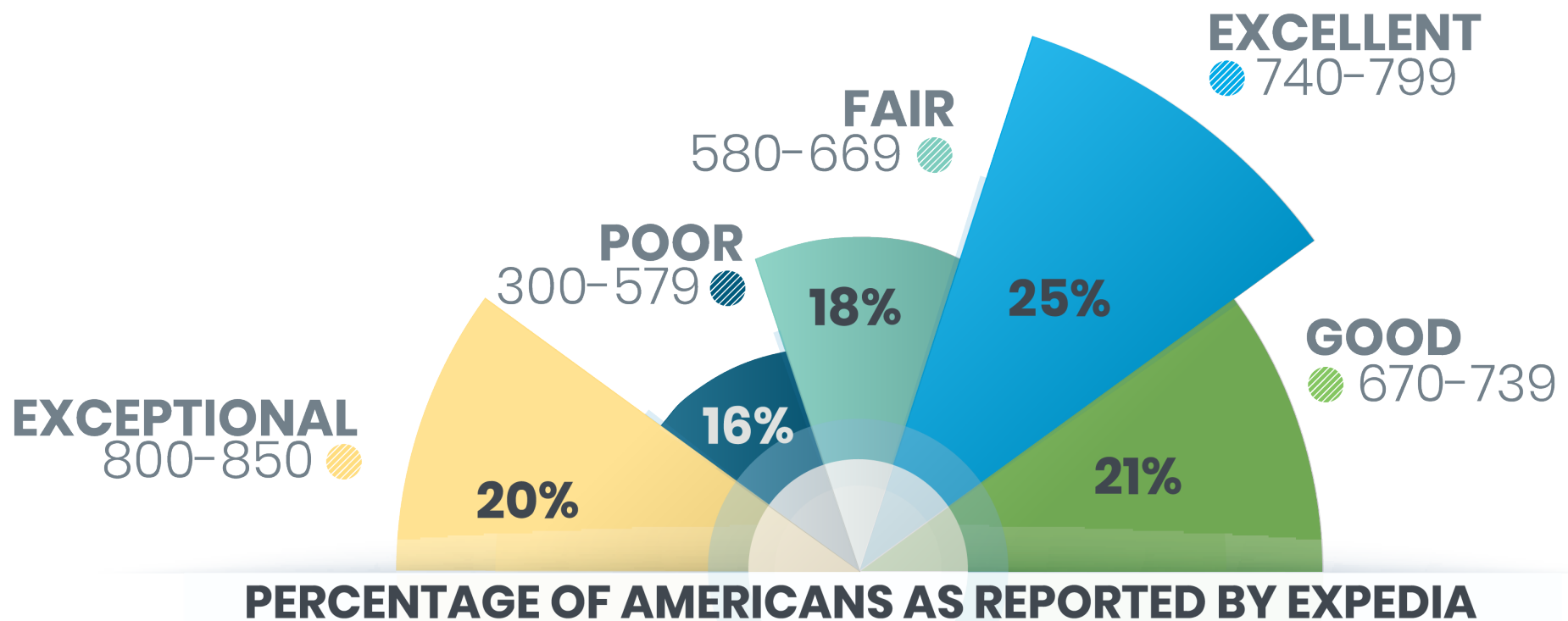
How long have specific accounts been established? (*credit card, mortgage, car loans*)

How long since certain accounts have been used? (*credit card, merchant, line of credit*)



PUTTING IT ALL TOGETHER

Now that you know your score, and what factors are included, it's important to **understand what the score means**. Typically a score over 780 is considered excellent, while a score under 660 is considered at least somewhat challenged. We have loan programs for nearly every category of score so don't despair! By working with a loan advisor you can work on **raising your score** with some changes to how you're spending your money – or take a look at the programs that are **available to you now**.



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About APM

As a company, we embrace the concept of homeownership with enthusiasm and optimism for housing in America. Every employee at American Pacific Mortgage takes personal ownership in *Creating Experiences That Matter™* for our customers and consumers. Every transaction represents a family, a home, and a life decision – we understand and value that our participation is a privilege and that our job is to delight everyone involved in the loan process.



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Footnote 2: American Pacific Mortgage Corporation is not a credit repair or financial service company. We are not licensed credit repair specialists or counselors, we are not licensed financial advisors; please contact your financial professional for your personal financial situation. The material provided is for informational and educational purposes only and should not be construed as investment and/or mortgage advice. Although the material is deemed to be accurate and reliable, there is no guarantee it is without errors.

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