

How Are Credit Scores Calculated?

CREDIT SCORE EDUCATION

CREDIT RESOURCE CENTER > CREDIT CARD BASICS > CREDIT SCORE EDUCATION > HOW ARE CREDIT SCORES CALCULATED?

Updated March 8, 2022 2 min read

Credit scores are calculated using your payment history (whether you pay your bills on time, essentially), how much debt you're carrying, the length of your credit history, and more.

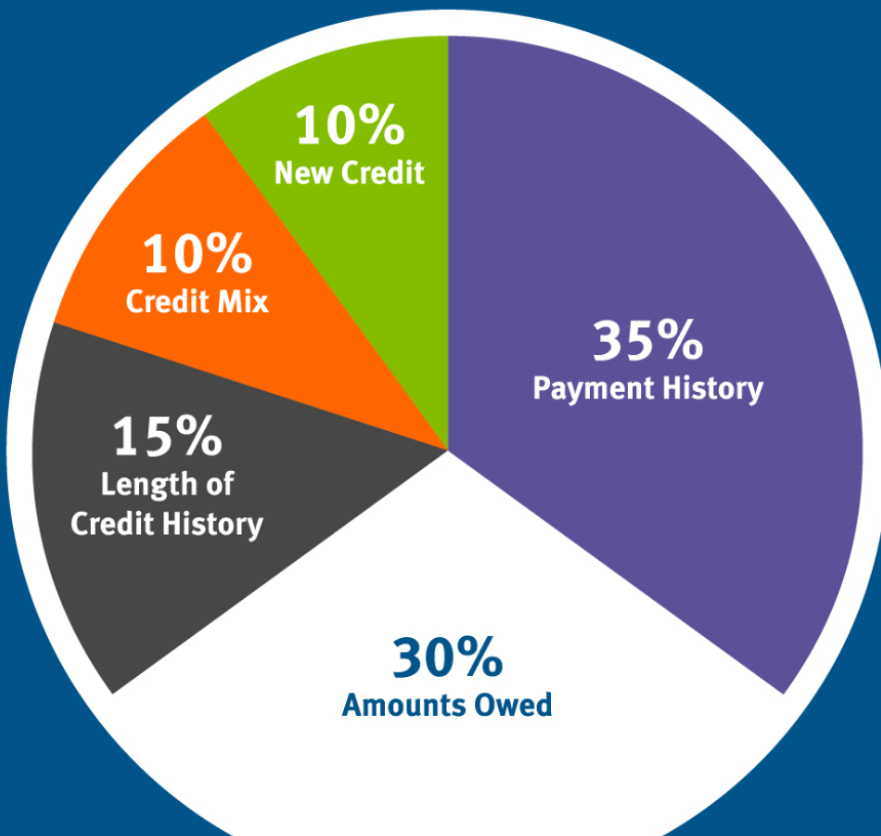
The more you know about how your credit score is calculated, the easier it becomes to [build positive credit history](#) and keep track of your score. A higher credit score means that your [credit card applications](#) may be more likely to be approved and with more favorable interest rates. In some states, credit history can influence how prospective employers evaluate job applications, how insurance companies assess risk and how landlords approve rental applications.

See if you're **Pre-approved** before you apply.

There's no impact to your credit.

[Check Now](#)

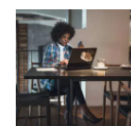
What Makes Up Your Credit Score



TOP STORIES



How Does Interest Work on a Credit Card?



What does pre-approved mean for a credit card?



When Can You Get a Credit Card?

The formula is courtesy of www.myfico.com/credit-education/whats-in-your-credit-score and shows how each category impacts FICO® Scores for the general population.

Payment History

This is typically one of the most significant components making up your credit score, because it shows lenders your track record for [making payments on time](#) and whether you've missed any payments. Paying your installment loans and credit cards on time is one of the ways you can maintain or help your score. To help you along, take advantage of the automatic bill pay feature lenders offer, which could help you avoid late payments.

Credit Utilization (Amounts Owed)

This is the ratio of your total available credit to the amount of credit used. Lenders will assume you are a higher credit risk if your revolving debt is high. A good rule of thumb is to keep your credit card balances as low as possible by making payments early and often.

Length of Credit History

This considers your oldest account, but also the average age of all of your accounts. For this reason, you should avoid opening too many new accounts at once, especially if you have a short credit history.

New Credit

This is measured not only by the number of new credit accounts you have opened, but also the number of [credit report inquiries](#) that are generated when you request a line of credit. The good news is that unsolicited "pre-approved" offers are considered "soft inquiries" and do not negatively impact your credit score. However, if you apply, the lender will make a hard inquiry. Knowing this can help you decide whether you should consider an attractive low-interest offer on a new credit card.

See if you're **Pre-approved**
before you apply.

There's no impact to your credit.

[Check Now](#)



Total Accounts (Credit Mix)

This considers the number of accounts you have and the types of accounts they are. Your score typically benefits from demonstrating a history of managing different kinds of credit, such as a mortgage, installment loans and revolving lines of credit.

Now that you understand the score, the first step to stay on top of it is to get your credit score. When viewing your scores, be sure to focus on what bureau is providing the data because there can be slight variations in the data contained in each credit report, as different credit scores are calculated in different ways. Additionally, small differences in scores, pulled at different times, are considered normal.

Legal Disclaimer: This site is for educational purposes and is not a substitute for professional advice. The material on this site is not intended to provide legal, investment, or financial advice and does not indicate the availability of any Discover product or service. It does not guarantee that Discover offers or endorses a product or service. For specific advice about your unique circumstances, you may wish to consult a qualified professional.

FICO is a registered trademark of the Fair Isaac Corporation in the United States and other countries.

Discover Financial Services and Fair Isaac are not credit repair organizations as defined under federal or state law, including the Credit Repair Organizations Act. Discover Financial Services and Fair Isaac do not provide "credit repair" services or assistance regarding "rebuilding" or "improving" your credit record, credit history or credit rating.

Share This    

 Tagged in

[Credit Building](#) | [Credit Scores](#) | [Understanding Credit](#)

MORE FROM DISCOVER



ESTABLISHING CREDIT

When Can You Get a Credit Card?

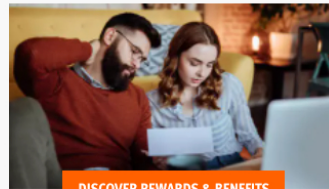
Learn when you can get a credit card, how to get a credit card when you're eligible, and what kind of credit card you can get before you're 18.



ESTABLISHING CREDIT

What Credit Card Do I Qualify For?

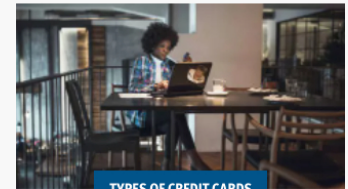
Discover has a fast, simple, and secure online preapproval tool to help you check offers specific to you, without hurting your credit score.



DISCOVER REWARDS & BENEFITS

Earn Twice the Cash Back or Miles Your First Year with Discover Cashback Match

Do you know about Discover's cash back program? These free rewards for eligible Discover cardmembers let you earn cash back from using your Discover card...



TYPES OF CREDIT CARDS

What does pre-approved mean for a credit card?

Find out how you receive pre-approved credit card offers, what to look for and how you can opt-out.

Credit Card Quick Links

[All Credit Cards](#)

[See if you're prequalified](#)

[Respond to Mail Offer](#)

[Check Application Status](#)

[Cardmember Agreement](#)

[Credit Card Benefits](#)

[ATM Locator](#)

Rewards

[Cash Back Rewards](#)

[5% Cashback Bonus[®]](#)

[Redeem Cashback Bonus](#)

[Refer a Friend](#)

Credit Card Categories

[Cash Back Credit Cards](#)

[Student Credit Cards](#)

[Secured Credit Card](#)

[Travel Credit Card](#)

[No Annual Fee Credit Cards](#)

[Balance Transfer Credit Cards](#)

[NHL Credit Card](#)

[Airline Travel Credit Card](#)

More Discover Products

[Banking](#)

[Home Equity Loans](#)

[Mortgage Refinance](#)

[Personal Loans](#)

[Student Loans](#)

[Debt Consolidation](#)

[Identity Theft Protection](#)

Credit Resources

[Credit Resource Center](#)

[Credit Card Basics](#)

[Managing Credit](#)

[Trending Topics](#)

[Life Priorities](#)

[Credit Card Interest Calculator](#)

Quick Links

[Sitemap](#)

[Terms of Use](#)

[Accessibility](#)

[Security](#)

[Privacy](#)

[AdChoices](#)

About Us

[Contact Us](#)

[About Discover](#)

[Corporate Responsibility](#)

[Investor Relations](#)

[Newsroom](#)

[Careers](#)

[Accept Discover](#)



© 2022 Discover Bank, Member FDIC