

Customer-Facing FAQs about FICO® Score 9

What is FICO® Score 9?

FICO® Score 9 is the latest redevelopment of the industry-standard credit score.

Why are you switching to FICO® Score 9?

FICO® Score 9 gives Franklin Mint Federal Credit Union the strongest possible risk assessment for today's consumer credit behavior, improved operational efficiencies, and support for meeting regulatory compliance. Among the modifications to its predictive characteristics, FICO® Score 9 improves our assessment of collection information as well as consumers with limited credit histories.

Will my score change?

Each FICO® Score version has a slightly different formula for calculating credit risk, depending, in part, on the kind of decision being made. As a result, people will see modest differences in their scores across the FICO® Score versions. This is normal. What's important to remember is that, with all FICO® Score versions, the same credit behaviors are considered important: Pay your bills on time, keep your credit card balances low, and open new accounts only when you need to.

Why are there multiple versions of FICO® Scores?

Did you know that FICO® Scores were first introduced to lenders over 25 years ago in 1989? In the time since those first versions of FICO® Scores were used by lenders, there has been quite a bit of change in lender credit granting practices, consumer demand for and use of credit, as well as data reporting practices.

As a result, FICO has redeveloped its scoring models several times to make sure they remain robust predictors of risk. FICO also makes sure new versions of the FICO® Score models keep pace with changing consumer credit behaviors, include FICO's newest analytic technology, and are adjusted for data reporting enhancements.

FICO releases these new FICO® Score versions to the market and each lender then determines if and when it will upgrade to a new version of the score. As a result, there are lenders currently using different FICO® Score versions.

As an analogy, it is similar to how people or businesses are on different versions of Microsoft Windows or have different generations of a smart phone. All these versions have the same base functionality, but each version also has unique updated features to meet evolving user needs.

The various FICO® Score versions in use today have a similar underlying foundation, and they effectively identify higher risk people from lower risk people. Every time a FICO® Score is updated it incorporates unique features, leverages new risk prediction technology, and reflects more recent consumer credit behaviors. The result is a more predictive score that helps lenders make more informed credit decisions.