What's in a Credit Report?

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Introduction

Bankruptcy gives individuals a fresh start by allowing them to discharge much of their unsecured debt. But, the consequences of bankruptcy do not end when the legal process is complete. After bankruptcy, families still must figure out how to make ends meet and how to interact with the credit economy. In this summary, I highlight key findings from research on how consumers borrow after bankruptcy.

There are 3 credit reporting bureaus: Equifax, TransUnion, and Experian. Each bureau maintains a file—i.e., a credit report—on every borrower, listing the "types of credit you use, the length of time your accounts have been open, and whether you've paid your bills on time." The report also lists "how much credit you've used and whether you're seeking new sources of credit." This information comes from credit furnishers, who send updates to each of the credit bureaus on their accounts.

The credit report also includes prior and current addresses, any lawsuits or arrests, and bankruptcy filings. This information comes from court records. Delinquencies on utilities (cable, cell phone, electricity, etc.) and rental payments can be listed in a credit report, although a good history of utility and rental payments is not listed on a credit report. An individual's salary, occupation, title, employer, dates employed, or employment history are <u>not</u> typically included on a credit report or used to compute a credit score.

The information in the credit report is used to calculate the credit score, a measure of the risk associated with extending credit to an individual. The most widely used credit score is the FICO score, a numerical score ranging from 300 to 850. Each credit reporting bureau may have a different FICO score, because the credit score is based on a snapshot of the particular information held by that credit bureau at the exact moment in time the score is generated. Page 13 shows more detail on how scores are calculated.

Effect of Bankruptcy on Credit REPORT

There are two distinct issues with respect to bankruptcy and credit reports. First, is the legal requirement that bankruptcies may not appear more than 10 years after filing (in contrast to the 7 years for most other kinds of serious delinquencies). This is not a mandate, however, and some credit bureaus appear to remove bankruptcies from reports at the 7-year mark. This is particularly likely for completed chapter 13 bankruptcies.

Using data from bankruptcies filed in the 1990s, David Musto found that consumer borrowing increased significantly at the ten-year mark when bankruptcies were expunged. David Musto, *What Happens When Information Leaves a Market? Evidence from Post-Bankruptcy Consumers*, 77 J. BUS. 725 (2004). He attributes this increased borrowing to the improved credit score resulting from the change in content of the report.

The second issue is what gets reported. While filing is nearly always noted from the public records, many other key aspects of the bankruptcy are not captured. The report does not show, for example, the percentage of debt proposed or paid in a chapter 13 case. Federal Trade Commission guidance indicates that credit bureaus "should" note if a bankruptcy was dismissed or if a debt was discharged in bankruptcy but this information appears less reliably reported.

Effect of Bankruptcy on Credit SCORE

The most recent studies indicate that credit scores are not enduringly diminished by bankruptcy. For four different groups of filers (spanning 2002:Q1-2005Q3, 2005:Q4-2007:Q2, 2007:Q3-2009:Q4, and 2010:Q1-2010:Q4—essentially before and after bankruptcy reform, and before and after the financial crisis,) credit score recovery is "very dramatic." Jagtiani & Li at 11. Both Chapter 7 and Chapter 13 filers seem to return to their previous risk score levels (as of four to six quarters prior to the bankruptcy filing within about one year after filing). *Id.* Some might quibble with whether four to six quarters prior is the appropriate baseline for comparison, given that data from the 2001 and 2007 Consumer Bankruptcy Projects show more than half of debtors report seriously struggling with their debts for more than two years before filing. Ronald Mann & Katherine Porter, *Saving Up for Bankruptcy*, 98 GEO. L.J. 289, 313-14 (2010). Nonetheless, Jagtiani and Li's finding seems to contradict the cautionary tales that it will take many years—including the seven to ten years until the bankruptcy is removed—for credit scores to increase markedly. At the time of filing, the average score for bankruptcy filers is between 520-540. It typically recovers 60 or more points in the first six months after filing and then flattens out for the next year. Jagtiani & Li at 29 (Fig. 1).

In fact, for consumers with low credit scores, a bankruptcy filing may actually increase credit scores. Cohen-Cole, et al., at 5.3. Comparing a group of non-filers with filers (cases filed in 2004), the authors found that 18.3% of filers immediately had greater access to credit after filing than before, and those with the lowest pre-filing credit scores were most likely to be in this group. *Id*.

FICO itself says that for a person with a credit score of 680, a bankruptcy would drop the credit score to between 530 and 550. For a person with a credit score of 780, a bankruptcy would drop the credit score to between 540 and 560. These numbers will vary significantly depending on individual factors. Foreclosure generally has a less deleterious effect, but again varies by individual. FICO does offer some examples. For a person with a credit score of 680, a foreclosure would drop the credit score to between 575 and 595. For a person with a credit score of 780, a foreclosure would drop the credit score to between 620 and 640.

Secured Lending

Secured lending for those with blemished credit has been in flux for the last few years. In the past, bankruptcy debtors experienced a "paradox of secured credit," with such loans being significantly harder to obtain than unsecured credit. Katherine Porter, *Bankrupt Profits: The Credit Industry's Business Model for Postbankruptcy Lending*, 93 IOWA L. REV. 1369, 1402, 1406 (2008). Using data from chapter 7 filers in 2001, Porter found that 55% of those who sought a car loan in the next three years self-reported difficulty in obtaining a loan. *Id.* at 1406.

Today, nearly all borrowers face some constraints in the mortgage market compared to before the foreclosure crisis. The need for a large downpayment and full income documentation, however, contribute as significantly to bankruptcy debtors' barrier as does low credit score. In the last few months, several lenders have lowered their minimum required credit score and a new wave of specialty subprime mortgage lenders has cropped up.

Car lenders have addressed increased risk by simply charging much higher rates and increasing their default strategies. "Buy here, pay here" auto dealers actually increased market share during the recession as defaulted home loans lowered the credit scores of a larger fraction of consumers. Katherine Porter, *Buy Here Pay Here Dealerships*, CREDIT SLIPS BLOG (Jan. 4, 2012), http://www.creditslips.org/creditslips/2012/01/buy-here-pay-here-dealerships.html; Ken Bensinger, *A hard road for the poor in need of cars*, LA TIMES (Nov. 3, 2011), http://www.latimes.com/business/buy-here-pay-here/la-fi-buyhere-payhere-20111103-story.html#page=1.

Some auto lenders market directly to bankruptcy filers. Nearly 90% of chapter 7 filers in the 2001 Consumer Bankruptcy Project reported receiving an offer for a car loan. Porter, *Bankrupt Profits*, at 1403 (Fig. 3). Another study found that 48% of filers obtain one or more vehicle loan post-bankruptcy. Han & Li, at 504.

Immediately following filing, the dollar amount of auto loans and home mortgage loans tends to be low, but increases significantly about two years after filing. *See* Jagtiani & Li, at 12. This suggests that secured lending, which are often fairly high-dollar loans compared to unsecured credit, may require a longer waiting period before credit is widely available.

Credit Card Offers

Han, et al., found that filers are at least as likely and sometimes more likely to receive credit card offers than non-filers, supporting the idea that lenders target bankruptcy filers who will not be able to file for bankruptcy again for several years. *See* Han, et al., at 3. This supports Porter's hypothesis that there is a specialized market for postbankruptcy lending. Porter, *Bankrupt Profits*, at 1398 ("Nearly 88% of debtors reported that lenders had referenced the debtor's bankruptcy in their credit marketing").

Despite these offers, there is some evidence that debtors curb their credit use. Porter found that only 65% of chapter 7 filers had a credit card at the three-year post-filing mark. Among those who had cards, the median number was 2. Porter, *Life After Debt*, at 13. Those debtors with cards reported an average debt of $1092. Compared to those who have no bankruptcy record, filers have fewer credit cards, are less likely to use credit cards in general, and have credit limits that are $12,000 lower than non-filers. Han & Li, at 492, 501, 504. However, filers who do have credit cards are more likely to borrow higher amounts, carry an unpaid balance, and pay higher interest rates than are similarly situated individuals who have not filed bankruptcy. Han & Li, at 504. Existing lenders tend to dramatically lower individuals' credit limit immediately following a bankruptcy filing, and any new lenders tend to offer substantially less favorable terms. Han, et al., at 15-16; Jagtiani & Li, at 15.

Filers are more likely to use expensive credit sources, such as pay day loans, suggesting a lack of less expensive borrowing options. Han & Li, at 492.

Differences between chapter 7 and chapter 13 filers

There appears to be only one study that examines the difference in credit access between chapter 7 filers and chapter 13 filers. This is largely due to data limitations. It is also difficult to address the prohibition on borrowing without permission in a chapter 13 case.

A 2013 research paper shows that chapter 13 filers fare worse in terms of credit access. Chapter 7 filers' credit card usage tends to recover approximately six quarters after filing, but chapter 13 filers' credit card usage tends to continue to decline. Jagtiani & Li, at 12. This difference suggests that the pattern of niche banks targeting filer households identified by Han, et al., applies only to Chapter 7 filers. *See id.* at 13. Chapter 13 borrowers also receive higher interest rates than chapter 7 filers. *Id.* at 18. The ban on receiving a discharge for eight years following a chapter 7 discharge likely makes these consumers more attractive than chapter 13 filers in ongoing cases, which are more likely than not to be dismissed without discharge. Also, chapter 13 filers are obligated to follow their repayment plans, meaning their disposable income is already committed to existing lenders. *See id.* at 14.

Effects of Reaffirmation

Many creditors suspend reporting to credit bureaus on accounts that are either in a pending bankruptcy or have been discharged in bankruptcy. The reasoning is that the bankruptcy discharge, which wipes out the loan but not the security interest, leaves the creditor with no reporting requirements. As a result, once a bankruptcy petition is filed, debtors who continue to make timely payments may not get the benefits of those timely payments on their credit reports. If a debtor signs a reaffirmation agreement with the creditor, however, the creditor will continue to report the monthly payments. This is the logic that reaffirmation can help debtors rebuild their credit scores.

The pros and cons of signing reaffirmation agreements on secured debt in bankruptcy are widely debated. Of course, signing a reaffirmation agreement reaffirms a debtor's personal liability for debt, and this is often not in the debtor's best interest where the debt exceeds the value of the collateral, employment income is uncertain, or the terms of the secured transaction are otherwise unfavorable. Despite these cons, debtors' attorneys are still cognizant that some personal property secured creditors (e.g., Ford Motor Credit) require a reaffirmation agreement if a debtor wishes to retain the collateral.

It also may not be in a debtor's best interest to lock in credit terms as they exist at the time of the potential reaffirmation, e.g., if a debtor can foresee refinancing later due to a home valuation increase. On the other hand, some creditors, such as Wells Fargo, refuse to refinance a mortgage loan unless either the debtor reaffirmed it in bankruptcy or the court issues a comfort order that such a reaffirmation would not violate the discharge. The obvious alternative is for the debtor to refinance with a different lender, i.e., one not involved in the bankruptcy.

The potential benefit of reaffirming for credit score purposes is small at best, and likely negligible. Although timely monthly payments are important for a debtor's credit score, they are only one factor in the credit score computation. Other factors are also important. For example, if a loan balance is high and the debt would cause a high utilization ratio or a risk of over-extension, then the negatives of having the debt listed may outweigh the benefit of having the monthly payments appear on the credit report.

<u>Ongoing Financial Difficulties</u>

After bankruptcy, consumers struggle to pay routine bills, such as utilities. Katherine Porter & Deborah Thorne, *Failure of Bankruptcy's Fresh Start*, 92 CORNELL L. REV. 67, 86 (2006). Those who are most likely to struggle after bankruptcy are those with incomes that continue to decline after filing. *Id.* at 124. Zagorsky and Lupica analyzed data from the National Longitudinal Study of Youth, which regularly surveyed a sample of baby boomers beginning in 1979. Jay L. Zagorsky & Lois R. Lupica, *A Study of Consumers' Post-Discharge Finances: Struggle, Stasis, or Fresh-Start?*, 16 AM. BANKR. INST. L. REV. 283, 292 (2008). In a regression analysis controlling for several factors, they found that filers were less likely to own a home or have a credit card than non-filers. *Id.* at 314. While filers eventually seemed to catch up to their non-filing peers, income took at least 13 years to equalize, savings levels took at least 12 years, and net worth took at least 20 years. *Id.* Bankruptcy filers have enduring financial vulnerabilities.

An analysis of data from the Federal Reserve Board's Survey of Consumer Finance shows that although bankruptcy debtors were more likely to be risk averse than are non-filers as measured by several criteria, debtors were more likely to have overspent in the year prior to the survey. Han & Li, at 495, 501. Struggling to make ends meet after bankruptcy, debtors may turn to borrowing, particularly as their resistance to credit erodes.

<u>Consumer Reluctance to Borrow</u>

Debtors generally borrow at much lower levels and have fewer accounts for years after filing. While the supply side effects discussed above have obvious influence, there is both survey and credit bureau data that suggest debtors themselves avoid credit. In the 12-18 months after filing, debtors had one or fewer "hard inquiries" per calendar quarter. Jagtiani & Li at 29 (Fig. 3.) These hard inquiries reflect a creditor evaluating the report to make a determination on an application for credit ("soft inquiries" are those where creditors might pull reports to select consumers for marketing).

Beyond Borrowing: Effects of Low Credit Score/Bad Credit Report

In recent years, credit bureaus have marketed consumer credit data for purposes beyond assessing likelihood of repayment. Credit checks are routine for many jobs, including entry-level positions such as retail clerks. Maroto, at 103. Credit data also inform insurance decisions (specifically, car insurance) and apartment rentals. There are sometimes specific scores for these decisions, such as insurance, that differ from the typical FICO score for credit assessment. Information on bankruptcy's effect on these scores is not available, but survey data show that bankruptcy filers report being told by non-lenders that their bankruptcies are the reason they were denied as applicants (for jobs, insurance, apartments, etc.) Deborah Thorne, *Personal Bankruptcy and the Credit Report: Conflicting Mechanisms of Social Mobility,* 11 JOURNAL OF POVERTY 23 (2007).

Fair Credit Reporting Act, 15 U.S.C. § 1681c

§ 605. Requirements relating to information contained in consumer reports

(a) *Information excluded from consumer reports.* Except as authorized under subsection (b) of this section, no consumer reporting agency may make any consumer report containing any of the following items of information:

(1) Cases under title 11 [United States Code] or under the Bankruptcy Act that, from the date of entry of the order for relief or the date of adjudication, as the case may be, antedate the report by more than 10 years.

(2) Civil suits, civil judgments, and records of arrest that from date of entry, antedate the report by more than seven years or until the governing statute of limitations has expired, whichever is the longer period.

(3) Paid tax liens which, from date of payment, antedate the report by more than seven years.

(4) Accounts placed for collection or charged to profit and loss which antedate the report by more than seven years.

(5) Any other adverse item of information, other than records of convictions of crimes which antedates the report by more than seven years

Federal Trade Commission, Official Staff Commentary, §607(b)(3)
Reasonable Procedures to Ensure Maximum Possible Accuracy.

F. *Reporting of credit obligation*—

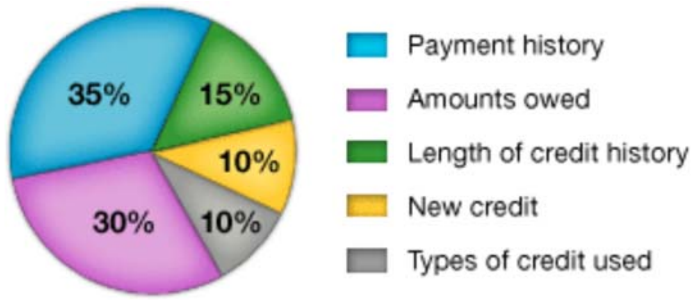
(1) *Past due accounts.* A consumer reporting agency must employ reasonable procedures to keep its file current on past due accounts (e.g., by requiring its creditors to notify the credit bureau when a previously past due account has been paid or discharged in bankruptcy), but its failure to show such activity in particular instances, despite the maintenance of reasonable procedures to keep files current, does not violate this section. For example, a consumer reporting agency that reports accurately in 1985 that as of 1983 the consumer owed a retail store money, without mentioning that the consumer eventually paid the debt, does not violate this section if it was not informed by the store or the consumer of the later payment.

(2) *Significant, verified information.* A consumer reporting agency must report significant, verified information it possesses about an item. For instance, a consumer reporting agency may continue to report a paid account that was previously delinquent, but should also report that the account has been paid. Similarly, a consumer reporting agency may include delinquencies on debts discharged in bankruptcy in consumer reports, but must accurately note the status of the debt (e.g., discharged, voluntarily repaid). Finally, if a reported bankruptcy has been dismissed, that fact should be reported.

Federal Trade Commission, Official Staff Commentary
§607, item 6. *Content of Report*

A consumer report need not be tailored to the user's needs. It may contain any information that is complete, accurate, and not obsolete on the consumer who is the subject of the report. A consumer report may include an account that was discharged in bankruptcy (as well as the bankruptcy itself), as long as it reports a zero balance due to reflect the fact that the consumer is no longer liable for the discharged debt. A consumer report may include a list of recipients of reports on the consumer who is the subject of the report.

Excerpts from FICO site



Payment history (35%): Looks at whether past credit accounts have been paid on time—including credit cards, retail accounts, installment loans, finance company accounts, and mortgage loans. The effect of missed payments on the FICO score varies based on how late the missed payment was, how much was owed, how recently the missed payments occurred, and how many missed payments there were in total. On the other end of the spectrum, a good record of payment increases a FICO score.

This category also includes any bankruptcies, foreclosures, lawsuits, wage attachments, liens, and judgments. Older items and items with small amounts count less than newer items or items with larger amounts.

In general, most negative information remains on the credit report for 7 years (missed credit account payments, collection accounts, and all judgments). Paid tax liens remain on file for 7 years from the date the tax lien is paid; unpaid tax liens remain on file indefinitely. Chapter 7, 11, and 12 bankruptcies remain for 10 years from the date the bankruptcy was filed. Completed Chapter 13 bankruptcies remain for 7 years from the date filed, but remain for 10 years if not completed.

Amounts owed (30%): This component of the FICO score itself compiles information from five different factors: (1) the amount owed on all accounts (the total balance owed for all debt); (2) the amount owed on different types of accounts (credit cards versus installment loans, etc.); (3) the amount owed on certain types of accounts (credit utilization ratio); (4) the number of accounts with balances (whether there is a risk of over-extension); and (5) the amount of installment loan owed compared to the original loan amount (i.e., the percentage of the installment loan that has been paid).

Length of credit history (15%): The length of credit history component has three factors: (1) how long credit accounts have been established, which includes the age of the oldest account, the age of the newest account, and an average age of all accounts; (2) how long specific credit accounts have been established; and (3) how long it has been since certain accounts were used. Generally stated, a longer credit history will lead to a higher credit score.

New credit (10%): The number of accounts opened and the number of recent inquiries by lenders have a small impact on the FICO score. A large number of recent inquiries or new accounts can indicate greater risk.

Types of credit used (10%): Considers the mix of credit cards, retail accounts, installment loans, finance company accounts, and mortgage loans. This component measures a borrower's experience with different types of accounts, and the total number of accounts held.

myFICO

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How can I minimize the negative effect of a bankruptcy?

A bankruptcy is going to be factored into your FICO® score until it falls off of your credit report. While it may take up to ten years for a bankruptcy to fall off of your report, the impact of the bankruptcy will lessen over time.

If you plan to file a bankruptcy, here are some things you should do to make sure your creditors are accurately reporting the bankruptcy filing:

- check your credit report to ensure that accounts that were not part of the bankruptcy filing are not being reported with a bankruptcy status.
- make sure your bankruptcy is removed as soon as it is eligible to be "purged" from your credit report.

After a bankruptcy has been filed, the sooner you begin retaining or re-establishing credit in good standing, the sooner you can expect your FICO score to rebound. A good practice is to obtain a secured credit card and continually make all of your payments on time. As time passes and the impact of the bankruptcy lessens, you might apply for a traditional credit card and also continually make all of your payments on time.

What are the different types of bankruptcy and how is each considered by my FICO score?

A bankruptcy is considered a very negative event by your FICO® score regardless of the type. As long as the bankruptcy is listed on your credit report, it will be factored into your score. However, as time passes, the negative impact of the bankruptcy will lessen. Typically, here is how long you can expect bankruptcies to remain on your credit report (from the date filed):

- Chapter 11 and 7 bankruptcies up to 10 years.
- Completed Chapter 13 bankruptcies up to 7 years.

Keep in mind that these dates refer to the public record item associated with filing for bankruptcy. All of the individual accounts included in the bankruptcy should be removed from your credit report after 7 years.

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Bankruptcy

One of the great myths about bankruptcy is that it erases bad credit history. It doesn't. Declaring bankruptcy frees you from paying all or part of the debt you owe. Accounts will be updated in your credit report to show "included in bankruptcy." However, the accounts will not be deleted from your credit report. Chapter 13 bankruptcy remains on your credit history for seven years. Chapters 7 and 11 are reported for 10 years.

Credit accounts may be deleted at different times depending on their status prior to being included in bankruptcy. Bankruptcy isn't an easy way to escape a bad credit history. It doesn't erase your credit report so you can start over with a clean slate. It does stop collectors from calling, but creditors stop calling, too.

- Accounts are not removed immediately after bankruptcy
- Accounts in bankruptcy are not deleted immediately
- Accounts in bankruptcy deleted before the bankruptcy public record
- Accounts not deleted when bankruptcy is discharged
- Adding an authorized user who has declared bankruptcy
- Bankruptcy and other negative information is removed automatically
- Bankruptcy and tax liens
- Bankruptcy has greatest impact on scores, collections a close second
- Bankruptcy listed on father's credit report
- Bankruptcy remains on your credit report for up to 10 years
- Bankruptcy should not appear in joint account holder's credit report
- Change to bankruptcy law doesn't affect credit reports
- Getting married when your girlfriend has declared bankruptcy twice
- How you might not qualify for bankruptcy protection
- Marrying a man who declared bankruptcy
- Mortgage cosigner's credit report not affected by bankruptcy
- Multiple bankruptcies cannot be deleted early
- Qualifying for a home after bankruptcy
- Reaffirming debts will not cause bankruptcy public record to be deleted sooner
- Removing "accounts included in bankruptcy" status from closed accounts
- Tax liens not discharged through bankruptcy
- The difference between default and bankruptcy
- Updating account to show included in bankruptcy
- Updating report to show bankruptcy is discharged
- When chapter 7 bankruptcy is deleted
- Why accounts in bankruptcy continue to be part of your credit report

Reaffirming debts will not cause bankruptcy public record to be deleted sooner

Jan
04
2012

Posted by experian.team under Report Advice

Dear Experian,

Can a Chapter 7 bankruptcy get deleted earlier than the 10 years if your lawyer had you agree to pay off some of the debt owed to the creditors and you also reaffirmed some of the secured debt owed in the chapter 7 case?

- EXR

Dear EXR,

Neither repaying a portion of the debt nor reaffirming some debts will cause the bankruptcy filing to be deleted earlier. However, that doesn't mean there is no benefit to doing so.

There are two elements to bankruptcy in a credit report. The first is the public record court filing. Once filed, the bankruptcy record will appear for 10 years in the case of Chapter 7 bankruptcy or for seven years in the case of a Chapter 13 filing.

The second element is the accounts themselves. Each account that is part of the bankruptcy will have a status of "included in bankruptcy."

Reaffirmed accounts should not appear as included in bankruptcy and can contribute to rebuilding your creditworthiness over time as you build a history of making on time payments.

Debts paid in full before the bankruptcy was filed and not included in the bankruptcy filing should have a status of "paid" in your credit report and would not be shown as "included in bankruptcy."

If an account is shown as "included in bankruptcy" but was not, you can provide a copy of your bankruptcy Schedule A, which lists all the accounts that were included, and Experian should be able to change the status.

While reducing your debts won't cause the bankruptcy to be deleted any sooner, paying them could help your credit history recover more quickly as the bankruptcy filing becomes older and other negative payment history is deleted.

Thanks for asking.

- The "Ask Experian" team

CreditCards.com

Borrowers already knew that late payments hurt their credit scores, but for the first time, they now know the extent of that damage.

Did you max out your credit card? Expect a credit score drop of 10 to 45 points. Declare bankruptcy? Your score will plummet by up to 240 points, and your odds of getting credit will nosedive with it.

The "damage points" data, unveiled Thursday by FICO, are part of the most revealing glimpse into the firm's once-secret -- and still mysterious -- credit scoring model. The new information discloses how many points borrowers' scores will drop when they make the most-common mistakes.

'Help people understand' scores
"I hope this information will help people to better understand FICO scores and the value for them of avoiding credit missteps. It illustrates key points such as the higher your score, the farther it can fall if you stumble," says FICO spokesman Craig Watts. "Getting and maintaining a good score isn't complicated. We all just need to pay our bills on time, keep credit card balances low and take on new debt sparingly. "

The greater transparency about FICO scores is important because American consumers' ability to get credit rises and falls with the number. FICO, the company that pioneered credit scoring, assigns consumers a three-digit number from 300 to 850, depending on how well they handle credit. Other companies also offer scores, but FICO's version is the most widely used by lenders in determining whether a consumer can borrow, and at what rate.

DAMAGE POINTS:
HOW MISTAKES AFFECT FICO SCORES

Credit mistake	If your score is 680	If your score is 780
Maxed-out card	Down 10 to 30 pts.	Down 25 to 45 pts.
30-day late payment	Down 60 to 80 pts.	Down 90 to 110 pts.
Debt settlement	Down 45 to 65 pts.	Down 105 to 125 pts.
Foreclosure	Down 85 to 105 pts.	Down 140 to 160 pts.
Bankruptcy	Down 130 to 150 pts.	Down 220 to 240 pts.

Source: FICO

FICO's credit score has been around for decades, but only within the past decade have consumers gradually gained access to theirs. Though the raw numbers can be purchased, how they're figured remains a FICO secret, as closely guarded as the formula for Coca-Cola. Until Thursday, FICO revealed only broad categories of factors influencing the score, but not the number of points at stake for consumers who fail to pay as agreed. The "damage points" information, revealed in a report by personal finance writer Liz Pulliam Weston, is available through its myFICO.com website.

The details
FICO's information shows that bankruptcy does the most serious damage to a credit score (up to 240 points), followed by foreclosure (up to 160 points) while maxing out a credit card has the least numerical impact (as few as 10 points).

Those with good or excellent credit -- so-called prime borrowers -- put more points at risk with each mistake. For example, someone with an average credit score of 680 who pays a bill 30 days late will see a drop of 60 to 80 points. But for someone with an excellent credit score -- 780 -- that same delinquency can send a FICO score tumbling by 90 to 100 points.

Credit: It's NOT Everywhere (despite the placards!)

TheStreet

Get an FHA loan. Federal Housing Administration home loans enable home buyers to get a home with less than 3.5% down. And they're flexible about bankruptcy candidates, too. According to the FHA Web site: "You may buy a home or do a refinance mortgage using FHA loans two years after the date of discharge for a bankruptcy, assuming that you have maintained perfect credit since the bankruptcy discharge with a FHA streamline refinance loan."

CreditCards.com

Credit Cards and Prepaid Debit Cards for People with Bad Credit

Simply getting a credit card will not help you build, re-build or re-establish your credit history. Making on-time minimum payments with all of your creditors and keeping account balances low relative to the credit limit are key to rebuilding your credit history. Prepaid debit cards, unlike credit cards, do not provide a line of credit and do not influence your credit history. Choose from secured and unsecured credit cards, and prepaid card offers below - some of them are fee-based.

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N/A	N/A	N/A	N/A	22.9% (V)	$29	Bad Credit

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- Reports to the major Consumer Reporting Agencies.

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