



## Meet the Credit Score Perfectionists

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*This article is part of a series related to being **Financially Fit***

### Learn from some credit scoring superstars.

While most Americans strive for good credit scores, others take special care to achieve great ones. Meet some credit score superstars -- and learn why and how they keep those precious three digits so high.



#### Good Scores Key to Financial Health

Credit scores were developed as tools to help banks and businesses make objective decisions. To generate them, a mathematical formula pulls credit report data and transforms it into a numerical rating. **FICO (FICO)** scores range from a low of 300 to a high of 850, and according to [MyFico.com](#), mortgage lenders consider anything above 760 as ideal. While it is the dominant score, FICO isn't the sole scoring model. For example, the three major credit reporting bureaus -- TransUnion, Experian and **Equifax (EFX)**-- produce the VantageScore, with a scale ranging from 501 to 990.

Despite ranking system differences, a higher score always indicate less risk, and having them makes you more appealing to lenders, employers and landlords.

Consequently, focusing on scores is only natural. "People are drawn to this subject because it allows them to measure something that they equate to financial health," says Jose Rivas, national education manager for Consumer Credit Counseling Service of San Francisco.

That focus, however, can turn into anxiety, with conflicting information often to blame. "One article states that consumers should close their unused accounts," says Rivas, "another states that consumers should never close their accounts." For this reason, getting the facts from reliable sources is essential. Like the following high achievers, you can create a terrific credit score with real knowledge and a specific sense of purpose.

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### Credit Score Vigilante

Dan Nainan, a professional comedian who constantly travels between New York and Los Angeles, has carefully built an 830 FICO score. Doing so enabled him to negotiate preferential terms with his premium reward card. "I was able to drop the annual fee for my \$450 per year [American Express](#) card to \$150!" Nainan also cites the "feel-good" factor: "It's a comfort to know that wherever I go and whatever I apply for, I can get it."

Vigilance is Nainan's strategy. "If there's anything at all that might affect my score, I ask a ton of questions and go to the Internet and do as much research as possible. If I test drive a car, or sign up for a health club, I look at the fine print very carefully to see if they have a right to hit my credit file with an inquiry." He's also programmed everything online "so that all of the bills pay themselves, and any and all credit card balances are paid off immediately."

### Protecting a Long History of Timely Payments

Want the very best vehicle loan available? Let your numbers do the talking. When Brenda Avadian, founder of [TheCaregiversVoice.com](#), out of Pearblossom, Calif., was applying for a car loan, her 849 score helped her secure top financing. "Saving thousands on interest charges is a tremendous motivator," says Avadian, who locked in 0 percent interest for five years. A loan with a 4 percent rate would have cost her an extra \$3,200 on the same vehicle.

Avadian attributes her impressive score to a long history of timely payments. "And on those rare moments when a bill sneaks under some paperwork and it's either late or due that day," says Avadian, "I call and take care of it." She believes her loyalty to the same banks (three credit accounts -- not too many, not too few) also helps. "Instead of constantly shifting to capture the best deal, discount rate, rebate points, etc., I've stuck with the same folks for years."

“It's a comfort to know that wherever I go and whatever I apply for, I can get it.”  
— Dan Nainan  
830 FICO score holder

### Regular Charging, Zero Balances

At last check, marketing company president Paul Entin, from Bloomsbury N.J., holds a 990 VantageScore. For him, it's a matter of honor and integrity. "A high credit score indicates your name and your signature on a contract have meaning. It's an indicator of certainty ... of character. It would be difficult to trust someone with a poor credit rating to the same extent you can trust someone with a higher credit rating."

Entin maintains his high score by using his business and personal credit cards regularly and paying them off every month. "It's not magic -- pay your bills on time and pay the debt. Make it a priority. Pay attention to spending."

### Keeping the Right Mix of Credit

"Every time someone runs my credit they say, 'Wow, I almost never see someone with credit that high,'" says Carrie Rocha, founder of [pocketyourdollars.com](#) in Minneapolis. She keeps it first-rate to preserve her autonomy. "As someone who got out of \$50,000 in debt in less than three years, I take a lot of personal pride in my financial freedom." Though Rocha has no plans to borrow money again, "I have no barriers when it comes to employment, insurance or other areas of life where my credit score is used to assess the kind of risk I am."

Besides "the obvious things like pay my bills," Rocha says she increased her score by talking to her credit

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— Carrie Fieha  
pocketyourdollars.com founder

union loan officer, who said an overabundance of idle retail accounts was driving it down. She had opened the cards randomly during in-store promotions, but never really charged on them, so there was no history to protect. After formally closing the accounts, her scores that were previously in the 720 to 740 mark rose to the 800s.

### Does the Perfect Credit Score Exist?

Pursuit of excellence is often wise, but does 'perfect' exist? Yes, says Craig Watts, public affairs director for FICO. "Several thousand consumers do in fact have the highest possible FICO score."

While not everyone will reach the credit score apex, you can get close by consistently following three simple guidelines:

1. Pay all bills on time.
2. Keep credit card balances low.
3. Take on new credit only when you really need it.

Don't obsess over small credit score variations. "Lenders decide what score they will accept for their best interest rate product," assures Watts. "They genuinely don't care if your score is 50 or 100 points higher than that."

Clearly, A-plus credit has its advantages, but there is no reason to go overboard. Find balance between attentiveness and fixation by understanding what those numbers can do for you and knowing how you can improve them. And remember -- credit scores gauge your borrowing history, not your intrinsic value as a person.