

Your credit score: Updates you should know



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MONEY MATTERS
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Credit scoring has evolved over the last three decades and this fall, FICO made one more important change. Borrowers who have struggled with medical debt and those with a limited credit history might see better FICO numbers in the future. Even if these situations don't apply to you, understanding how credit scoring is changing can help you better manage your credit over time.

FICO Score 9, rolled out last fall, is described as a more "nuanced" version of the original FICO Score that the leading credit scoring company introduced in 1989. It is offered by three major credit bureaus — Equifax (www.equifax.com), Experian (<http://www.experian.com>) and TransUnion (<http://www.transunion.com>). It now bypasses collection agency accounts and weighs medical debt differently than non-medical debt on a person's credit record. Borrowers with a median score of 711 whose only negative credit data comes from medical collections will see their credit score go up 25 points under the new system.

As for consumers with limited credit histories — what the industry calls "thin files" — FICO says the new system will better determine the ability of someone in that situation to repay a debt.

What doesn't FICO 9 address? At this point, the latest credit-scoring model really doesn't loosen or change requirements for mortgage and refinancing opportunities. Even so, there are many things ordinary borrowers can do to improve their credit scores and overall financial health over time.

The first step is for borrowers to review each of their credit reports once a year. Credit reports and credit scores are two different things. Consider credit scores are a three-digit summary of creditworthiness; credit reports are the detailed record of a borrower's credit history. Consumers can view each of their credit reports from Equifax, Experian and TransUnion once a year for free (www.annualcreditreport.com). Stagger receipt of each agency's credit reports throughout the year to weed out any inconsistencies, inaccuracies or, worse, indications of fraudulent credit applications or identity theft.

Borrowers are seeing something else that's new — some lenders are making the credit scores they apply to existing borrowers

available for free. A few major lenders have taken part in the industry-only FICO Score Open Access Program, which lets current customers see the exact credit scoring data applied to them at no charge. FICO's site doesn't offer the names of participating lenders, but a customer should ask their lender if they are offering free scores through that program.

Consumers should know how credit scores are compiled. FICO uses five key ingredients:

- Payment history (35 percent)
- Amounts owed (30 percent)
- Length of credit history (15 percent)
- New credit (10 percent)
- Types of credit used (10 percent)

Visit www.myfico.com for a list of tips for borrowers to improve their scores. Base FICO scores have a 300 to 850 score range, and though FICO doesn't release what it considers good or bad scores, borrowers with excellent credit typically have scores in the mid-700s and up.

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There are ways to preserve and raise existing credit scores. It might be wise for borrowers to ask if they can increase the credit limit on individual accounts while paying down existing balances on those accounts. Smart borrowers generally keep their outstanding balances at 30 percent or less of their available credit limit.

Bottom line: Smart credit management starts with an understanding of one's credit reports and credit scores.

— Jason Alderman directs Visa's financial education programs. To follow Jason Alderman on Twitter: www.twitter.com/PracticalMoney



SEAN HART PHOTO

Northwest Farm Supply employees Melissa Jemmett, left, and Penney Crowther, ring up items for customers Saturday during the business's 20th anniversary celebration.

Customers support specialized farm supply store

Hermiston business celebrates 20th anniversary

BY SEAN HART
HERMISTON HERALD

Northwest Farm Supply was packed for its 20th anniversary celebration Friday and Saturday.

Nathan Crowther, manager and part owner of the business, said the community has been supportive since it opened in March of 1995 on Highway 395 north of Hermiston.

"The support of the community was phenomenal last weekend and has continued to escalate since we've been there," he said. "The Hermiston community has been extremely supportive of our type of a business and has allowed us to grow and prosper."

Crowther said the business has also tried to support the community through the years.

He said the business has been committed to supporting 4-H and FFA "from day one." He said NW Farm Supply has spent more than \$800,000 purchasing livestock at fairs and shows and also hosts its own shows.

"We've spent a lot of money to support the livestock auctions, the kids that are involved and the

Northwest Farm Supply

The business is open from 7:30 a.m. to 6 p.m. Mondays through Fridays and from 8 a.m. to 4 p.m. Saturdays at 80411 Highway 395, north of Hermiston.

leaders," Crowther said. "We do things like put on our own jackpot steer show that gives them an opportunity to prepare for the fairs they'll be showing at."

Crowther, who has lived in the area for more than 30 years, said he worked in agricultural retail for more than 10 years before opening NW Farm Supply. He said the business specializes in certain areas to set it apart from others.

"We have attempted to differentiate from other businesses, particularly farm-supply businesses, with several key areas," he said. "One of them is having a full-time livestock fieldman that works with ranchers. His name is Mike Countryman, and he covers about five counties in Oregon and about four in Washington. His training is as an animal scientist."

Crowther said NW Farm Supply also focuses on pumps, tanks, hose, fittings and "anything re-



SEAN HART PHOTO

Northwest Farm Supply has been open for more than 20 years on Highway 395 north of Hermiston. Many people attended an anniversary celebration Friday and Saturday and participated in drawings and contests.

lated to sprayers," and his son Justin and business partner John Lloyd specialize in that area.

"It's a fairly technical field that requires making the right recommendations and understanding application, and there really hasn't been anybody else in our market that has had the experience level that those guys have to be able to help farmers," he said.

Since the business began, NW Farm Supply has also expanded and branched out. In 2003, Crowther said he and his partners opened a store in Walla Walla, and, in 2004, they started manufacturing Premier Northwest trailers. Crowther said more than 2,000 trailers have been built in Hermiston.

Crowther said they added another business, Nutritional Services, that manufactures livestock feed supplements from a facility on Elm Avenue in Hermiston. He said the products, including Northwest Horse Supplement and Northwest Mare and Foal, are distributed throughout the Northwest and parts of California.

"As opportunities come up, we take a look at them," he said. "We've been very fortunate to have a crew of employees who look for opportunities. We've been very fortunate to have a stable crew of people that have been there for a long time. In total, between all of the locations, part time and full time, we have about 30 employees currently."



SEAN HART PHOTO

Employee Ani Jemmett, left, supervises people entering drawings for various items during Northwest Farm Supply's 20th anniversary celebration Saturday at the business north of Hermiston on Highway 395.



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