# Reason Codes:

There will be reason codes on the bottom of a copy of a credit report that contains a FICO credit score. The codes provide factors that may be affecting the person’s credit score.  For example, if you see “*07 your credit file doesn’t have enough account experience for you to earn a higher FICO score*” you will be able to instruct the client to open up some new accounts to build credit history. The below table provides a list of reason codes along with actions you can have the client take to increase their credit score.

|  |  |  |
| --- | --- | --- |
| **Reason**  **Code** | **Reason Code Description** | **Actions To Increase Credit Scores** |
| 01 | The amounts you owe on your accounts are too high for you to earn a higher FICO® score. | Instruct the client to pay down their credit cards. If the client has the cards maxed out and do not have money to pay down balance, contact the credit card companies and try to get a credit limit increase. This will lower the utilization ratio. |
| 02 | You have accounts on your credit report which have a record of payments being missed in the past. This is hurting your FICO score. | Instruct the client to pay their bills on time. The damage done by the late payments will fade over time with continued on-time payment history. Late payments may also be disputed if reporting incorrectly. |
| 03 | You lack your credit card accounts that were issued by a bank or major credit card issuer and this is preventing your FICO score from being higher. | Instruct the client to get a major credit card such as a VISA, MasterCard, or American Express. New credit clients may need to get a co-signer to open the accounts. Creditors and lenders want to see the client is creditworthy in the eyes of reputable companies.   The basic premise is “if they gave you a credit card, you must be a credit worthy person.” |
| 04 | You have too many credit card accounts that were issued by a bank or credit card issuer and have a balance. This is preventing your FICO score from being higher. | Instruct the client to pay down their credit cards and other revolving accounts. |
| 05 | You have too many accounts with a balance and this is preventing your FICO score from being higher. | Instruct the client to pay down their credit cards and other revolving accounts. Credit scoring does not like to see lots of balances carried. |
| 06 | You have too many finance company accounts on your credit report. This is preventing your FICO score from being higher. | Finance company loans are considered high-risk loans. Thus any loans from finance companies are a red flag. Instruct the client to seek a bank loan or transfer the balance onto a credit card if possible. |
| 07 | Your credit file doesn't have enough account experience for you to earn a higher FICO score | Instruct the client to open up some credit. Credit cards, auto loans, mortgages, etc. will build a healthy credit profile. Lenders want to see the person can manage credit responsibility. |
| 08 | You have too many inquiries in your credit report in the last 12 months. This is preventing your FICO score from being higher. | Instruct the client to stop applying for credit. Only apply for credit when it is needed. Also check to determine if the inquiries are authorized under the FCRA “permissible purpose.” Unauthorized inquiries should be considered for dispute. |
| 09 | You have too many accounts that have been recently opened. This is preventing your FICO score from being higher. | Instruct the client to stop opening accounts. Opening too many accounts too fast makes the client appear as a risk. |
| 10 | Your credit card balances are too high for your credit limits. This is preventing your FICO score from being higher. | 30% of a credit score is based on utilization ratio. This is the ratio between the credit limits on accounts and the outstanding balances. This ratio shows lenders how much available credit is used overall and will affect a person’s credit score if the ratio is too high.  The recommended ratio is between 10-35%. Instruct the client to pay down as much debt as possible or transfer balances to a card with a higher credit limit. |
| 11 | The amount that you owe on your credit card and store card accounts is too high for you to earn a higher FICO score. | Instruct the client to pay down their credit cards and other revolving accounts. Credit scoring does not like to see lots of balances carried. |
| 12 | The length of time since you established your credit card accounts is too short. This is preventing your FICO score from being higher. | 15% of a credit score is based on length of credit history. The only cure is time. Instruct the client not to close any old accounts that are in good standing or they will lose the credit history. |
| 13 | The time since one of your accounts has been delinquent is too short. This is hurting your FICO score. | The credit scoring model considers recency as a factor. The more time that passes since a derogatory status the better. A collection account 2 months old affects a credit score much worse than a collection account 5 years old. Thus the more time that passes the better. |
| 14 | The length of time your accounts have been established is too short. This is preventing your FICO score from being higher. | 15% of a credit score is based on length of credit history. The client needs to have a blend of accounts in good standing for a period of time. |
| 15 | You lack credit card accounts that were issued by a bank or major credit card issuer and this is preventing your FICO score from being higher. | Instruct the client to avoid credit cards and store cards not issued by banks. This can include finance companies or retail store cards. |
| 16 | You lack any type of credit card account information, which is preventing your FICO score from being higher. | 10% of a credit score is based on the types of credit in use. Lenders like to see a blend of credit such as credit cards, auto loans, mortgages, etc. Only having credit cards will affect a credit score. |
| 17 | You lack activity on accounts other than a mortgage. This is preventing your FICO score from being higher. | Having a mortgage loan in good standing helps a credit score. However, lenders want to see that the client can manage credit from other types of lenders including credit cards, auto loans, etc. Instruct the client to use their credit cards (even if they pay it off each month). |
| 18 | You have too many accounts that show a record of being delinquent. This is hurting your FICO score. | Accounts that are delinquent and derogatory should be considered for dispute. The reporting of the items may be inaccurate, unverifiable or outdated. |
| 19 | You have too few accounts on your credit report not showing paid on time. This is hurting your FICO score. | All late payments should be verified as accurate. Any items that are inaccurate, unverifiable, or outdated should be considered for dispute. |
| 20 | The time since you derogatory public record or collection item was reported on your credit report is too recent. This is hurting your FICO score. | The credit scoring model considers recency as a factor. The more time that passes since a derogatory status the better. However the accounts must be reporting accurately. Any items that are inaccurate, unverifiable, or outdated should be considered for dispute. Often collection agencies report duplicate accounts or illegally re-age accounts. You should consider disputing directly with the collection agency. Furthermore, public records are gathered by third-parties and lots of mistakes get made. Verify the accurateness of the public record. Inaccurate public records should be considered for dispute. |
| 21 | You have accounts that are currently past due. This is hurting your FICO score. | Instruct the client to pay any past-due balances. If the past due balances are reporting incorrectly then the account(s) should be considered for dispute. |
| 23 | You have too many credit card accounts that were issued by a bank or credit card issuer and have a balance. This is preventing your FICO score from being higher. | Instruct the client to pay down their balances. The lower the balances the better. |
| 24 | You lack recent activity on credit card accounts. This is preventing your FICO score from being higher. | Instruct the client to use their credit accounts. Having the credit accounts and not using them can hurt their score. |
| 28 | You don't have the statistically optimal number of accounts on your credit report. This is preventing your FICO score from being higher. | 10% of a credit score is based on the types of credit in use. The ideal blend is a few credit cards, one store card, an auto loan and a mortgage or real estate loan. |
| 29 | You lack recent balances on credit card accounts that were issued by bank or major credit card issuer. This is preventing your FICO score from being higher. | If the client pays the credit card off in full each month, it will appear as if there is no activity on the credit account. Instruct the client to carry a small balance for at least a few months (long enough to get reported). |
| 30 | The amount of time since your most recent account opening is too short. This is preventing your FICO score from being higher. | Instruct the client to open a new credit account. This will show that they are managing credit responsibly. |
| 31 | You have too few accounts that show recent payments being made. This is preventing your FICO score from being higher. | Instruct the client to use any old accounts, carry a balance for a short period (long enough to be reported) than pay them off. Have them do this from time to time. |
| 32 | You have a lack of recent installment loan account information. This is preventing your FICO score from being higher. | Credit scoring likes to see installment loans as well as revolving accounts. Installment loans can be auto or mortgage loans. |
| 33 | Your loan balances are too high for your original loan amounts. This is preventing your FICO score from being higher. | Instruct the client never to miss a payment on an installment loan. Payments on installment loans should take precedence over revolving accounts such as a credit card. Late payments can result in penalties and increase the balance of the loan. |
| 34 | The amount that you owe on your delinquent accounts is too high and this is hurting your FICO score. | Instruct the clients to pay any delinquent accounts if possible. However, be careful paying old accounts as it may re-age the account and make it appear as recent activity. The more recent the derogatory the worse it is. Verify the accuracy of the reporting delinquent accounts. Inaccurate reporting should be considered for dispute. |
| 38 | Your credit report shows a record of having accounts that have been seriously delinquent. This is hurting your FICO score. | This includes accounts with a negative status such as charge-offs, wage earner plan, included in bankruptcy, collection account, repossessions, settlement accepted and more. Verify the accuracy of the reporting delinquent accounts. Inaccurate reporting should be considered for dispute. |
| 39 | You have accounts on your credit report that have a record of being seriously delinquent. This is hurting your FICO score. | This includes accounts with a negative status such as charge-offs, wage earner plan, included in bankruptcy, collection account, repossessions, settlement accepted and more. Verify the accuracy of the reporting delinquent accounts. Inaccurate reporting should be considered for dispute. |
| 40 | You have information in a “Public Records” section of your credit card report. This is hurting your FICO score. | Public records may include judgments in civil actions, state or federal tax liens, and/or bankruptcies. Public records can only remain on a credit report for 7 years from the date discharged / dismissed. If it is past 7 years, dispute the public record. Also, verify the accuracy of the reporting public records. Inaccurate reporting should be considered for dispute. |
| 46 | The payments due on your credit accounts each month are too high. This is hurting your FICO score. | Large payments typically mean large balances. If the client has large payments, this could mean that their balances are high which may be a risk indication. Instruct the client to pay down balances and get their money payments lower. |
| 97 | You have a lack of recent auto loan account information and this is preventing your FICO score from being higher. | 10% of a credit score is based on the types of credit in use. Having an auto loan is considered a healthy blend of credit. Furthermore, making on-time payments on an auto installment loan greatly boosts a person’s credit score. |

E-Oscar Dispute Codes

Code Code Description  
01 Not his/hers  
02 Belongs to another individual with same/similar name  
06 Not aware of collection  
08 Late due to change of address (never received statement)  
10 Settlement or partial payments accepted  
12 Claims paid the original creditor before collection status or paid  
 before charge-off  
15 Credit Limit and/or High Credit amount incorrect  
19 Included in the bankruptcy of another person  
23 Claims account closed  
24 Claims account closed by consumer  
31 Contract cancelled or rescinded  
37 Account included in bankruptcy  
38 Claims active military duty  
39 Insurance claim delayed  
40 Account involved in litigation  
41 Claims victim of natural or declared disaster  
100 Claims account deferred  
101 Not liable for account (i.e., ex-spouse, business)  
102 Account reaffirmed or not included in bankruptcy  
103 Claims true identity fraud/account fraudulently opened  
104 Claims account take-over, fraudulent charges made on account  
105 Disputes Dates of Last Payment/Opened/of First Delinquency/Billing/Closed  
106 Disputes present/previous Account Status/Payment History / Payment Rating  
107 Disputes Special Comment/Compliance Condition Code/narrative remarks  
108 Disputes Account Type or Terms Duration/Frequency or Portfolio Type disputed  
109 Disputes current balance  
110 Claims company will change  
111 Claims company will delete  
112 Claims inaccurate information

# Credit Report Codes

When reading credit reports you may encounter codes and abbreviations. The following tables provide definitions to the codes.

# Public Records

You may encounter a credit report where the public record items are coded. The chart below will help you determine the type of public record based on the code.

|  |  |  |  |
| --- | --- | --- | --- |
| AB JD | Abstract Judgment (foreclosure, etc.) | PD CL | Paid collection ($50 and up) |
| BKRPT | Bankruptcy | SECLN | Secured loan |
| FINCL | Financial counselors | SP MT | Separate maintenance |
| FN ST | Financial statement filed | ST JD | Satisfied judgment (foreclosure, etc.). |
| FORCL | Foreclosure | SUDI | Suit dismissed |
| GARN | Garnishment | SUIT | Lawsuit |
| LIEN | Tax Lien | UP CL | Unpaid collection |
| MAR | Marital items (divorce, etc.) | WEP | Wage earner plan |

# Account Type Codes

The following chart will help you determine the account type.

|  |  |  |  |
| --- | --- | --- | --- |
| C | Line of Credit | I | Installment |
| M | Mortgage | O | Open Account (30 or 90 days) |
| R | Revolving (open-end account) | U | Unknown |

# Account Types

The following is a list of account types you may encounter on a credit report.

|  |  |
| --- | --- |
| Auto | Credit Line Secured |
| Unsecured | Collection Agency/Attorney |
| Secured | Telecommunications/Cellular |
| Partially Secured | Family Support |
| Home Improvement | Real Estate-Jr. Liens and Non-Purchase Money First |
| FHA Home Improvement Loan | Second Mortgage |
| Installment Sales Contract | Government Unsecured Guaranteed Loan |
| Charge Account | Government Secured Guaranteed Loan |
| Real Estate | Government Unsecured Direct Loan |
| Timeshare Loan | Government Secured Direct Loan |
| Factoring Company Account | Government Grant |
| Construction Loan | Commercial Installment Loan |
| Flexible Spending Credit Card | Commercial Mortgage Loan |
| Business Loan | Home Equity |
| Recreational Merchandise | Government Overpayment |
| Education Loan | Government Fine |
| Lease | Government Fee for Services |
| Check Credit or Line of Credit | Government Employee Advance |
| Manufactured Housing | Government Miscellaneous Debt |
| Credit Card | Government Benefit |
| FHA Real Estate Mortgage Loan | Returned Check |
| Lender Placed Insurance | Installment Loan |
| Household Goods | Commercial Line of Credit |
| Note Loan | Agricultural |
| Secured by Household Goods | Bi-Monthly Mortgage Payments |
| Secured by Household Goods and Other Collateral | Semi-Monthly Mortgage Payments |
| VA Real Estate Mortgage Loan | Home Equity Line of Credit |
| Conventional Real Estate Mortgage-Purchase Money First | Business Credit Card |
| Real Estate Mortgage | Deposit Related |
| Rental Agreement | Medical Debt |
| Secured Credit Card | Child Support |
| FMHA Real Estate Mortgage Loan | Spouse Support |
| Summer of Accounts with Same Statues | Attorney Fees |
| Unknown | Debit Card |
| Debt Counseling Service | Debt Consolidation |
| Combined Credit Plan | Utility Company |
| Auto Lease | Secured Home Improvement |
| Business Line Personally Guaranteed |  |

# Account Status Codes

This chart will help you determine the rating code for payments.

|  |  |  |  |
| --- | --- | --- | --- |
| $ | Assigned to US Department of Education | F | In financial counseling |
| 0 | Too New | G | Foreclosure process started |
| 1 | As agreed, not more than 1payment past due | H | In WEP or other party |
| 2 | Pays 30-59 days, not more than 2payments past due | J | Adjustment pending |
| 3 | Pays 60-89 days, not more than 3payments past due | M | Included in Chapter 13 |
| 4 | Pays 90-119 days, not more than 4payments past due | S | Dispute-resolution pending |
| 5 | Pays over 120 days, 5 or more payments past due | U | Need account # to check |
| 7 | Making payments/Wage Earner Plan | Z | Account included in bankruptcy |
| 8 | Repossession | CD | Collection status unpaid |
| 8A | Voluntary repossession | CF | Collection status in financial counseling |
| 8P | Repossession, making payments | CJ | Collection status adjustment pending |
| 8R | Repossession redeemed | CN | Collection status new listing |
| 9 | Charge off to bad debt | CP | Collection status paid |
| 9P | Making payments on an account rated 09 or 9B | CO | Collection status |
| A | Account is inactive | CS | Collection status disputed-Resolution pending |
| B | Lost or stolen card | CT | Collection status payment |
| C | Contact Member for status | CU | Collection status unknown |
| D | Refinanced or Renewed | CX | Collection status checked |
| E | Consumer deceased | CZ | Collection status in bankruptcy or other party |

# Account Rating Codes

The chart below will help you determine the rating code for accounts.

|  |  |  |  |
| --- | --- | --- | --- |
| **Installment Account** | **Revolving or Account** | **Open Account** | **Meaning** |
| I0 | R0 | O0 | Too new to rate |
| I1 | R1 | O1 | Pays account as agreed |
| I2 | R2 | O2 | Not more than two payments past due |
| I3 | R3 | O3 | Not more than three payments past due |
| I4 | R4 | O4 | Not more than four payments past due |
| I5 | R5 | O5 | More than 120 days or four payments past due |
| I7 | R7 | O7 | Making regular payments under WEP. |
| I8 | R8 | O8 | Repossession |
| I9 | R9 | O9 | Bad debt; placed for collection |
| IA | RA | OA | Account is inactive |
| IB | RB | OB | Lost or stolen card |
| IC | RC | OC | Contact member for status |
| ID | RD | OD | Refinanced or renewed |
| IE | RE | OE | Consumer deceased |
| IF | RF | OF | In financial counseling |
| IG | RG | OG | Foreclosure process started |
| IH | RH | OH | In WEP of other party |
| IJ | RJ | OJ | Adjustment pending |
| IM | RM | OM | Included in Chapter 13 |

# ECOA Codes

|  |  |
| --- | --- |
| **ECOA Codes** | **Description** |
| A | Authorized User - This individual is an authorized user of this account; another individual has contractual responsibility |
| C | Joint Account Contractual Responsibility - This individual is contractually obligated to repay all debts arising on this account. There are other people associated with this account who may or may not have contractual responsibility. |
| I | Individual - This individual has contractual responsibility for this account and is primarily responsible for its payment |
| M | Maker (signer) - This individual is responsible for this account, which is guaranteed by a Co-maker (cosigner) |
| P | Shared Account - This individual participates in this account. The association cannot be distinguished between ECOA I or J |
| S | coSigner - This individual has guaranteed this account and assumes responsibility should signer default |
| T | Terminated - Account is terminated |
| U | Undesignated - This is reported by the Bureau only |
| X | Deceased - the subject is on record as being dead. |