

# Bad Credit – What’s the Cost?

- What’s The Damage of Lower Credit Scores?

Home Financing: A 30-year fixed with a loan principal amount of \$360,000

<u>FICO Score</u>	<u>APR</u>	<u>Monthly Payment</u>	<u>Total Payments Paid</u>
Above 760	5.800%	\$1,760	\$633,600
620-719	6.020-7.120%	\$1,803-\$2,019	\$649,080-\$726,840
Below 620	8.531-9.289%	\$2,511-\$2,739	\$903,960-\$983,160

- If your score improves to 720-850, you could **save an additional \$318,329**
- If your score improves to 700-719, you could **save an additional \$308,047**
- If your score improves to 675-699, you could **save an additional \$263,094**
- If your score improves to 620-674, you could **save an additional \$163,422**

A borrower who increases his or her credit score from 620 to 720+ can potentially save **\$884 per month** on mortgage payments, **\$10,608 per year**, and approximately **\$318,329** over the life of the 30-year loan.