

# FICO Credit Score Range Explained (300-850: Bad to Excellent)

Your credit score isn't just a number—it's a key factor in your financial future. Lenders, landlords, and even some employers use it to determine whether you qualify for loans, credit cards, housing, and more. A high score can unlock lower interest rates, better borrowing terms, and greater financial flexibility.

FICO scores are the most widely used credit scores, ranging from **300 to 850**. The higher your score, the more likely you are to get approved for credit with favorable terms. If your score is on the lower end, you may face higher interest rates, deposits, or even denials.

Here's how your FICO score range affects your financial opportunities and what you can do to improve it.

## FICO Score Ranges and What They Mean

Lenders use your [FICO score](#) to decide whether to approve you for credit and what interest rate to offer. The higher your score, the better your financial options. Here's how different FICO score ranges impact borrowing, interest rates, and overall financial opportunities.

### Excellent (800-850)

A FICO score in this range puts you in the best possible position. You'll qualify for the lowest interest rates, the highest credit limits, and the most favorable loan terms. Whether you're applying for a mortgage, auto loan, or credit card, lenders will see you as a low-risk borrower. The [highest credit score](#) you can have is 850.

**See also:** [How to Get into the 800+ Credit Score Club](#)

### Very Good (740-799)

Borrowers in this range still receive competitive rates and approvals for most loans and credit cards. Some lenders set 750 or 760 as the cutoff for their best offers, but overall, this range keeps borrowing costs low and provides access to strong credit card rewards and loan terms.

### Good (670-739)

Most people fall into this category, and while approval chances are high, interest rates may not be the best. A 700+ score is often enough to secure a decent mortgage or auto loan rate but improving it further can lead to better terms.

### **Fair (580-669)**

This range makes borrowing more expensive. Lenders see higher risk in this category, so approvals are harder to come by, and interest rates are significantly higher. Some loans, like [FHA mortgages](#), may still be available, but expect extra fees or larger down payments.

### **Poor (300-579)**

Getting approved for loans or credit cards is difficult with a score in this range. If you do qualify, the interest rates will be among the highest, and you may need to provide a security deposit for credit cards or utilities. Improving your score by just 50 points could mean saving thousands of dollars over the life of a loan.

## **How Your FICO Score Is Calculated**

Your FICO score is based on five key factors, each carrying a different level of importance. Improving your score means focusing on the areas that have the biggest impact.

### **Payment History (35%)**

Paying your bills on time is the most important factor in your credit score. Even one missed payment can cause a noticeable drop, so setting up automatic payments or reminders can help keep your score on track.

### **Credit Utilization (30%)**

This measures how much of your available credit you're using. Keeping your balances below 30% of your total credit limit is essential, but staying under 10% is even better for maximizing your credit score. Paying off balances regularly can help keep this number low.

### **Length of Credit History (15%)**

The [longer your accounts have been open](#), the better it is for your credit score. This is why it's usually best to keep older credit accounts open, even if you don't use them often. Closing accounts can shorten your credit history and impact your score.

### **Credit Mix (10%)**

Lenders like to see that you can manage [different types of credit](#) responsibly. A mix of credit cards, installment loans, mortgages, or other credit accounts can improve your credit score. However, opening new accounts just to diversify your credit mix isn't necessary.

## **New Credit Applications (10%)**

Every time you apply for new credit, a hard inquiry is made on your credit report. Too many inquiries in a short period can lower your score. Space out applications when possible to avoid unnecessary drops.

**Pro tip:** Want a quick boost? Pay down high balances and set up automatic payments to avoid missed due dates.

## **Why Your Credit Score Matters**

Your credit score doesn't just affect loan approvals—it [plays a role](#) in many areas of your financial life. A strong score can save you money and open up opportunities, while a low score can make everyday expenses more expensive.

## **Loan and Credit Card Approvals**

Lenders use your credit score to decide whether to approve you for a credit card, car loan, mortgage, or personal loan. A higher score increases your chances of approval and gives you access to better terms. If your score is low, you may face denials or be required to pay higher fees or deposits.

## **Interest Rates**

Your credit score directly impacts the interest rates you're offered. Borrowers with higher scores qualify for lower rates, while those with lower scores pay more.

For example, consider a \$250,000 mortgage on a 30-year loan:

- A borrower with a **760+ score** might get a **6.0% interest rate**, paying **\$1,500 per month** in principal and interest.
- A borrower with a **620 score** might get a **7.5% interest rate**, paying **\$1,750 per month**—that's an extra **\$90,000 in interest** over the life of the loan.

A higher credit score can mean thousands of dollars in savings over time.

## **Insurance Premiums**

Many insurance companies use credit-based scores to determine rates for auto, home, and even life insurance. A lower score can lead to higher premiums because insurers view it as a sign of increased risk.

## **Renting an Apartment**

Landlords often check credit scores when reviewing rental applications. A higher score makes it easier to get approved without needing a larger security deposit. If your score is low, you may need a co-signer or have fewer rental options.

Your credit score influences more than just borrowing—it affects everyday expenses and financial opportunities. Keeping your score high can help you save money and avoid unnecessary hurdles.

