JAXX CREDIT

CREDIT APPROVAL *Guide*

Learn what lenders look for. | Improve your credit profile. | Increase your approval odds.

CREDIT SCORES
Understand what impacts your score and how to improve it.

CREDIT BUILDING
Learn how to build and maintain strong credit over time.

APPROVAL CHECKLISTS
Step-by-step checklists to help you prepare and stay ready.

LENDING STRATEGIES
Discover how lenders think and how to position yourself for approval.

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BEFORE A LENDER SAYS YES...

Every lender is trying to answer one simple question:

> "Can I trust this person to pay me back?"

Lenders review several key areas of your financial profile to determine your **level of risk.**

WHAT LENDERS LOOK AT:

PAYMENT HISTORY
Have you paid on time?

CREDIT UTILIZATION
How much of your available credit are you using?

LENGTH OF CREDIT HISTORY
How long have you had credit?

CREDIT MIX
Do you have a healthy mix of credit types?

RECENT CREDIT ACTIVITY
How many new accounts or inquiries do you have?

INCOME
Do you have stable, verifiable income?

EXISTING MONTHLY DEBT
How much do you owe each month?

STABILITY
Is your job, income, and address stable?

Remember:

People don't get denied because they wanted credit. **They get denied because they looked too risky.**

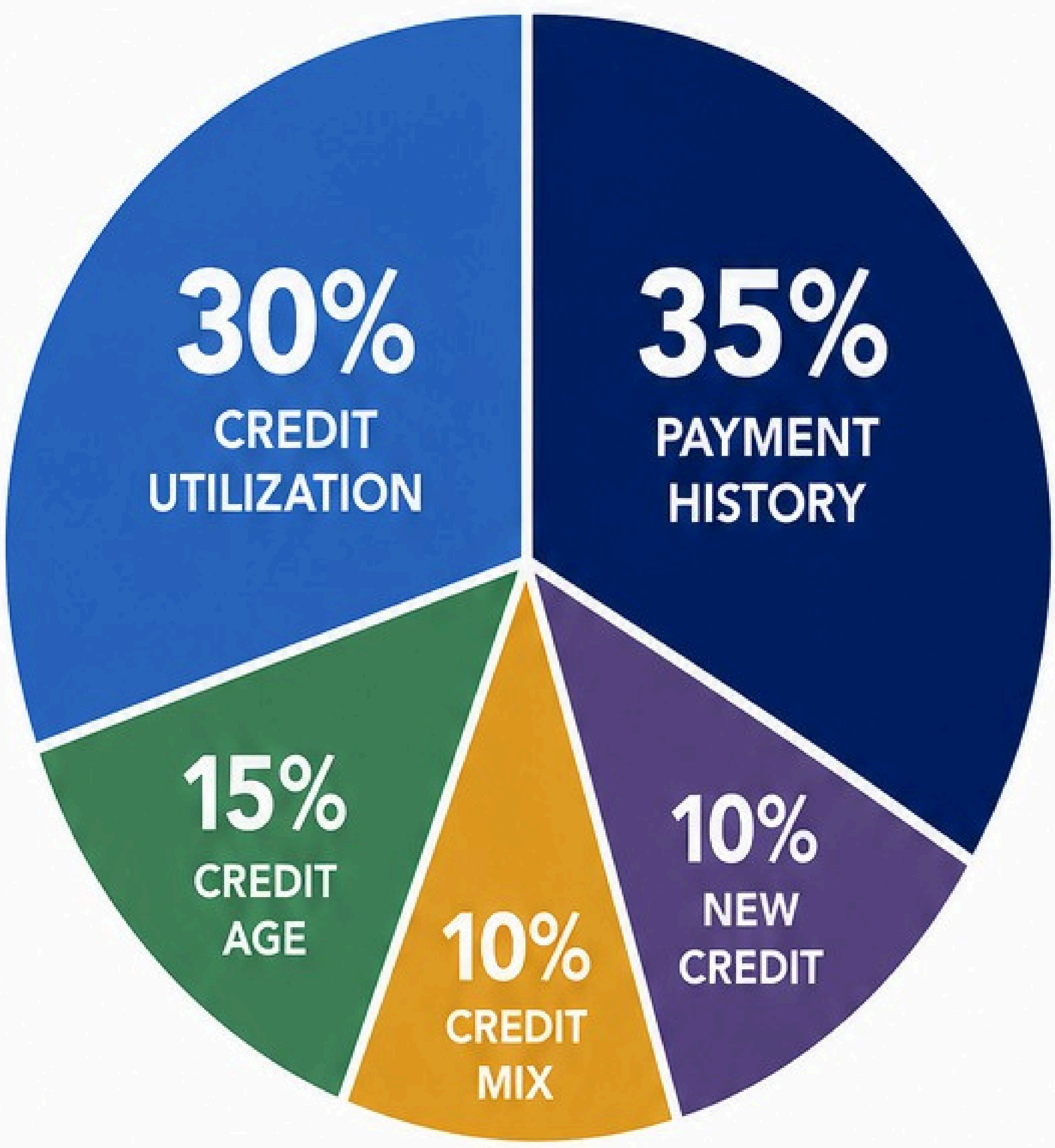
This workbook will help you understand how lenders think—so you can **position yourself for approval.**

WHAT'S INSIDE YOUR CREDIT SCORE?

Your score is calculated using 5 key factors.

Each factor plays a different role, but together they create a picture of how you manage credit.

The stronger each area, the stronger your score.



THE 5 FACTORS THAT MAKE UP YOUR SCORE

35%
PAYMENT HISTORY
Did you pay your bills on time?

30%
CREDIT UTILIZATION
How much of your available credit are you using?

15%
CREDIT AGE
How long have your accounts been open?

10%
CREDIT MIX
Do you have a healthy mix of account types?

10%
NEW CREDIT
How many new accounts or inquiries do you have?

The next five pages break down each credit score factor, explaining what it is, why it matters, and how to improve it.

FACTOR 1: PAYMENT HISTORY

Your track record of paying bills on time.

Payment history is the most important factor in your credit score because it shows lenders how reliable you are.

On-time payments build trust.
Late or missed payments destroy it.

35%
OF YOUR SCORE

Payment history makes up the largest portion of your credit score.

Get this right, and everything else gets easier.

WHAT COUNTS IN PAYMENT HISTORY?

ON-TIME PAYMENTS

Paying all your bills by the due date shows lenders you can be counted on.

LATE PAYMENTS

Payments 30 days or more late can hurt your score—and the longer they're late, the worse it gets.

COLLECTIONS

Unpaid accounts that go to collections are major red flags to lenders.

CHARGE-OFFS

Accounts written off as a loss by the creditor can severely damage your score.

BANKRUPTCIES

Bankruptcies stay on your report for years and lower your score significantly.

THE IMPACT ON YOUR SCORE

POSITIVE IMPACT

NEGATIVE IMPACT

EXCELLENT 740–850	Consistent on-time payments over time build strong credit and high scores.
GOOD 670–739	A few small late payments may have a minor impact.
FAIR 580–669	Multiple late payments or lower a serious delinquency lower your score.
POOR 300–579	Collections, charge-offs, or bankruptcy cause major score drops.

Tip: The impact lessens over time, but the best move is always to stay current.

IMPORTANT NOTE

Paying a charge-off does not remove it from your credit report. It also does not repair the payment history that led to the charge-off.

While paying the account may update the balance to $0 or Paid, the charge-off and negative payment history can still appear on your credit report.

A PAID CHARGE-OFF IS STILL A CHARGE-OFF.

HOW TO IMPROVE PAYMENT HISTORY

Pay every bill on time, every time.
Set a reminder or auto-renewal.

Catch up all post-due accounts as soon as possible.

Settle collections when possible.

Paid collections are better than unpaid ones.

Communicate with creditors if you're struggling.

Be patient and consistent.
Good habits today create a stronger score tomorrow.

REMEMBER:

Lenders want to see that you do what you say you're going to do—especially when it comes to your money.

Pay on time. Build trust.

BUILD THE FOUNDATION FOR EVERYTHING.

FACTOR 2: CREDIT UTILIZATION

How much credit you're using compared to your limits.

Lenders want to see that you're not maxing out your credit cards or revolving accounts. Lower balances show lower risk—and better credit habits.

Lower balances = lower risk.
Lower risk = higher score.

30%
OF YOUR SCORE

Credit utilization makes up 30% of your credit score. Keeping your balances low compared to your limits shows lenders you can manage credit responsibly.

WHAT IS CREDIT UTILIZATION?

Credit utilization is the percentage of your available credit that you're using across all revolving accounts (like credit cards and lines of credit).

EXAMPLE:

- **Total Credit Limit:** $10,000
- **Total Balance:** $2,000
- **Credit Utilization:** **20%**

The lower the percentage, the better for your score.

HOW TO IMPROVE THIS FACTOR

- **Keep balances low.** Aim to use less than 30% of your total credit limit—*ideally below* 10%.
- **Pay down balances strategically.** Focus on paying down cards with the highest balances first.
- **Ask for credit limit increases.** This can lower your utilization—just don't spend more.
- **Keep old accounts open.** Older accounts help increase your total available credit.
- **Don't close cards you don't use.** Closing lowers your total limit and can increase utilization.

NO CREDIT CARDS?
YOU COULD BE MISSING THESE POINTS.

Many people think avoiding credit cards helps their credit.

It doesn't.

Credit cards are the primary way lenders measure credit utilization, which makes up about 30% of your FICO® Score.

Without revolving credit, you may miss out on points in this category.

The goal isn't to avoid credit cards.
It's to manage them responsibly.

- Keep balances low.
- Pay on time.
- Avoid maxing them out.

FACTOR 3: CREDIT AGE

The longer your history, the stronger your score.

Credit age looks at how long your credit accounts have been open. A longer credit history gives lenders more data to see how you manage credit over time.

More history = more trust.
More trust = higher scores.

15%
OF YOUR SCORE

Credit age makes up 15% of your credit score. Lenders like to see a longer average age of accounts and an overall longer credit history.

WHAT CREDIT AGE INCLUDES

AGE OF OLDEST ACCOUNT
The length of time your oldest account has been open.

AVERAGE AGE OF ALL ACCOUNTS
The average age of all your open and closed accounts.

AGE OF NEWEST ACCOUNT
Opening too many new accounts in a short time can lower your average age.

TOTAL ACCOUNT HISTORY
Both open and closed accounts stay on your report and help build your overall history.

HOW IT AFFECTS YOUR SCORE

LONGER HISTORY = POSITIVE IMPACT
A longer credit history shows experience and stability, which builds lender confidence.

SHORT HISTORY = LIMITED DATA
Fewer accounts or a short history gives lenders less information to evaluate your reliability.

TOO MANY NEW ACCOUNTS = RISK
Opening several new accounts in a short period lowers your average age and can signal higher risk.

HOW TO IMPROVE THIS FACTOR

- **Keep older accounts open.**
  Your oldest accounts are valuable—closing them can shorten your history.
- **Be patient.**
  Time is a powerful tool. The longer your accounts stay open, the more your score benefits.
- **Avoid opening too many new accounts.**
  Only apply for credit you truly need.
- **Let closed accounts age.**
  Closed accounts remain on your report and continue to contribute to your history for up to 10 years.
- **Build a mix over time.**
  A combination of account types with a long history shows strong credit management.

IMPORTANT NOTE

Don't clean old accounts to "clean up" your report. Closing reduces your available credit and shorts your credit age—both can lower your score.

Authorized user tradelines with long history can also help strengthen your credit age.

Focus on building longevity, not just new credit.

TIME CAN'T BE FAST-FORWARD.
The best move is to build good habits today and let time work in your favor.

REMEMBER:
Lenders reward experience and consistency. The stronger your credit history, the more options you'll have in the future.

Build history. Build trust.

FACTOR 4: CREDIT MIX

A healthy mix shows you can handle different types of credit.

Credit mix makes up 10% of your credit score. Lenders like to see that you can responsibly manage different types of credit, not just one.

Different types = balanced risk.
Balanced risk = stronger profile.

10%
OF YOUR SCORE

Credit mix makes up 10% of your credit score.

A good mix of credit shows lenders you can handle different types of credit responsibly.

COMMON TYPES OF CREDIT

REVOLVING CREDIT

Credit cards and lines of credit where your balance can change and is typically due monthly.

INSTALLMENT CREDIT

Loans with a fixed amount and set timeline, paid in regular installments.

Examples: auto loans, personal loans.

MORTGAGE LOANS

Home loans are considered installment credit and are a strong positive factor.

OTHER TYPES

Student loans, credit-builder loans, and other authorized account types.

HOW TO STRENGTHEN THIS FACTOR

- Maintain a mix that fits your lifestyle.
- Pay every account on time, every time.
- Keep balances low.
- Only add credit when it makes sense.
- Stay consistent. Good habits build a strong profile.

REMEMBER:
Lenders want to see diversity and responsibility.
Show you can manage.

Different types. One goal.

STRONG CREDIT.
MORE OPPORTUNITIES.

FACTOR 5: CREDIT INQUIRIES

New credit can be a good thing–if it's managed wisely.

Credit inquiries make up **10%** of your credit score. Too many in a short period can signal risk to lenders. Their impact is small and short-term when managed correctly.

Smart credit moves today.
Stronger approval chances tomorrow.

10%
OF YOUR SCORE

Credit inquiries make up 10% of your credit score.

Lenders use inquiries to see how often you're applying for new credit.

Fewer inquiries = lower risk.

Lower risk = higher score.

WHY INQUIRIES MATTER

MANY INQUIRIES LOOK RISKY

It can look like you're desperate for credit or struggling financially.

TOO CLOSE TOGETHER

Multiple inquiries in a short time hurt more than inquiries spread out over time.

SHORT-TERM IMPACT

Inquiries stay on your report for up to 2 years, but only affect your score for about 12 months.

HOW TO MANAGE INQUIRIES

- **ONLY APPLY FOR WHAT YOU NEED.** Every application is a hard inquiry.
- **SPACE OUT YOUR APPLICATIONS.** Give your score time to recover.
- **USE RATE SHOPPING WINDOWS.** Auto & mortgage loans within 14–45 days count as one inquiry.
- **CHECK OFFERS BEFORE YOU APPLY.** Soft inquiries won't hurt your score.

REMEMBER:
Lenders reward responsible behavior. Apply strategically, not impulsively, and protect your score.

Protect your score. Protect your future.

EVERY DECISION COUNTS.

DO'S & DON'TS

While Your Credit Is Being Repaired

What you do (and don't do) during credit repair matters.
These habits can protect your progress and help your score increase faster.

DO'S

BUILD. PROTECT. PROGRESS.

PAY ALL BILLS ON TIME
Payment history is the #1 factor in your credit score. Set reminders or use autopay.

KEEP BALANCES LOW
Aim to use less than 10% of your available credit on each card.

CHECK YOUR SMART CREDIT REGULARLY
Stay informed about updates, disputes, and any action needed from you.

KEEP OLD ACCOUNTS OPEN
Length of credit history matters. Older accounts help your score.

FLAG OUR EMAILS AS IMPORTANT
So you don't miss any notifications or requests.

DON'TS

AVOID. PROTECT. MAINTAIN.

DON'T APPLY FOR UNNECESSARY CREDIT
Each hard inquiry can lower your score and stay on your report for up to 2 years.

DON'T CLOSE OLD ACCOUNTS
Closing accounts can lower your credit limit, increase utilization, and shorten your history.

DON'T MAX OUT CREDIT CARDS
High balances hurt your utilization and your score. Keep it low, even if you pay on time.

DON'T COSIGN FOR ANYONE
Their late payments or high balances can hurt your credit too.

DON'T MAKE LATE PAYMENTS
Even one late payment can set back your progress.

YOUR ROLE IN THE PROCESS

While your credit is being repaired, your daily decisions matter. The more consistent you are with good habits, the faster and stronger your results.

- Stay engaged and respond promptly.
- Follow the plan and trust the process.
- Be patient and consistent—time does the rest.
- Your future approvals start with today's choices.

You've got this.

CREDIT-BUILDING TOOLS & STRATEGIES

The right tools. The right strategy. The right results.

STRATEGY MATTERS

The right move depends on your credit profile.

Use what works.
Avoid what hurts.

Use these tools and strategies to build credit history, lower balances, and set yourself up for strong approval opportunities.

1 BUILD CREDIT (THIN FILES ONLY)

Best for people with little or no established credit.

These tools are designed to help you build credit history when you have limited or no credit.

IMPORTANT NOTE

These tools are generally intended for people with thin or limited credit files.

If you already have an established credit profile, opening additional accounts may lower your average age of accounts and work against your approval goals.

TOOL	HOW IT WORKS
Credit AI	Reports your on-time payments for Credit Builder loans to the major credit bureaus.
Self	You make payments into a secured account or credit builder loan. On-time payments build credit.
Kikoff	Small credit line reported with on-time payments. No credit check to start.
Grow Credit	Reports your on-time payments with a low-cost credit line.

MORE ACCOUNTS DOESN'T ALWAYS MEAN A BETTER CREDIT PROFILE.
Focus on quality, not quantity.

BONUS TOOLS	HOW IT WORKS
Experian Boost	Adds eligible on-time payments (like phone, utilities, streaming) to your Experian credit report instantly.
Rent Reporting Services	Reports your on-time rent payments, which can help boost your scores.

CONSISTENCY IS KEY. On-time payments reported over time create powerful results.

YOUR ROLE IN THE PROCESS

While your credit is being repaired, your daily decisions matter. The more consistent you are with good habits, the faster and stronger your results.

- Stay engaged and respond promptly.
- Follow the plan and trust the process.
- Be patient and consistent—time does the rest.
- Your future approvals start with today's choices.

You've got this.

STRATEGIES TO PAY OFF *Credit Card Debt*

Lower balances. Lower utilization. Stronger approval odds.

How you pay down debt matters just as much as how much you pay. Use these strategies to reduce debt the smart way.

1. PAYOFF STRATEGY

TRY THE SNOWBALL METHOD

Best for: Staying motivated

Focus on paying off your smallest balances first while making minimum payments on the rest.

- Pay the minimum on all accounts
- Put extra payments toward your smallest balance
- When it's paid off, roll that payment into the next smallest balance
- Builds momentum and motivation

2. SMART WAYS TO LOWER UTILIZATION

KEEP UTILIZATION UNDER 10%

This is the sweet spot for credit scores and approvals. Example: If your limit is $1,000, keep the balance under $100.

PAY BEFORE THE STATEMENT DATE

This can prevent the balance from reporting to the bureaus and keep your utilization low.

USE OPORTUN TO PAY DOWN DEBT

Oportun pulls small amounts from your bank account and pays your credit card debt for you. It helps you pay it down faster without thinking about it.

www.oportun.com

DEBT CONSOLIDATION (WHEN IT MAKES SENSE)

A personal loan or consolidation loan can simplify your payments and lower interest if it reduces your overall debt.

HOW UTILIZATION AFFECTS APPROVAL ODDS

Lenders want to see that you don't rely on credit to live. Lower utilization means lower risk in their eyes.

UTILIZATION RANGE	IMPACT ON CREDIT SCORE	IMPACT ON APPROVALS
0% – 10%	Excellent	Strongest approval odds
10% – 30%	Good	Good approval odds
30% – 50%	Fair	May limit approval amounts
50%+	Poor	High risk in lenders' eyes

★ The lower your utilization across ALL revolving accounts, the stronger your overall profile.

COMMON MISTAKES

ONLY PAYING THE MINIMUM
Keeps you in debt longer and increases interest paid over time.

MAXING OUT CREDIT CARDS
High utilization signals risk and can seriously lower your scores.

CLOSING ACCOUNTS TO LOWER DEBT
Can lower your available credit, shorten your credit history, and hurt scores.

APPLYING FOR NEW CREDIT WHILE PAYING DOWN DEBT
Creates hard inquiries and can lower your average age of accounts.

INTERNAL BANKING SCORES

Why Relationships Matter

A strong credit score is important—but it isn't always the only factor.

When you apply directly with a bank or credit union, many institutions also use **internal banking scores** as part of their decision process.

PRODUCTS THAT *Strengthen* YOUR SCORE

PLEDGE LOAN

A loan secured by the money in your savings account. It shows the bank you can repay and helps build trust and payment history.

SECURED LOAN

A loan backed by funds you already have on deposit. It demonstrates responsible borrowing and strengthens your relationship with the institution.

FICO® SCORE VS. INTERNAL BANKING SCORE

Your FICO® score is based on your credit report and used by most lenders. Your internal banking score is based on your relationship and activity with that specific bank or credit union. **It's their view of you.**

HOW TO BUILD YOUR INTERNAL BANKING SCORE

- Open a checking or savings account.
- Use the account regularly.
- Deposit money consistently.
- Avoid overdrafts.
- Consider a pledge or secured loan.
  These products help establish positive loan history.

WHY INTERNAL BANKING SCORES MATTER

THE BANK KNOWS YOU.

An existing relationship gives the bank more information than your credit score alone.

A STRONGER RELATIONSHIP CAN IMPROVE APPROVALS.

Banks may feel more comfortable lending to customers they already know.

IT MAY HELP YOU QUALIFY FOR BETTER PRODUCTS.

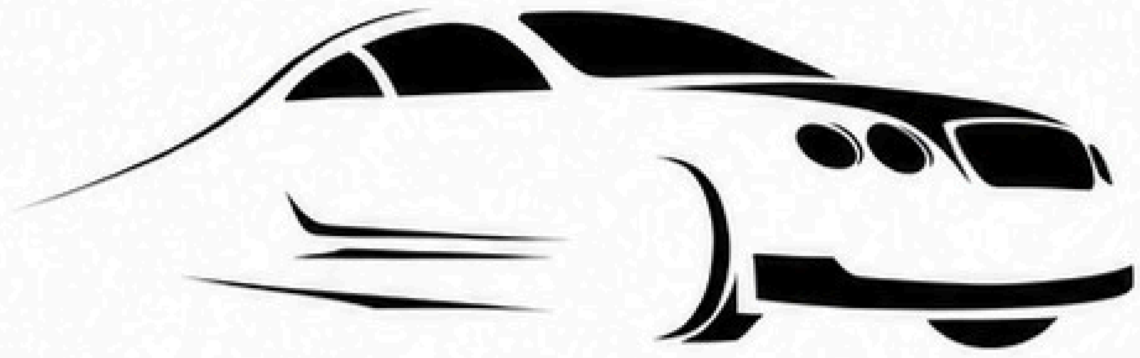
Some banks offer higher limits, larger loans, or better terms to established customers.

TRUST BUILDS OVER TIME.

Consistent deposits, responsible account management, and successful loans strengthen your relationship.

YOUR CREDIT SCORE OPENS THE DOOR.
YOUR BANKING RELATIONSHIP CAN OPEN IT WIDER.

AUTO LOAN
Approval Checklist



- [ ] **Credit** score above **680**
- [ ] No recent late payments within the past 12 months
- [ ] No recent derogatory items on your credit report
- [ ] Credit utilization **under 30%** on revolving accounts
- [ ] I have a good **relationship and deposit history** with the bank or credit union I'm applying with
- [ ] I have a **previous paid auto loan** or established auto loan history
- [ ] All required documents are ready
- [ ] My income is stable and verifiable
- [ ] I've chosen the right lender for my credit profile

THEN YOU'RE READY TO APPLY FOR AN AUTO LOAN

Lender Options
BY CREDIT BUREAU

TRANSUNION
- Mercedes-Benz Financial
- LightStream
- Tesla Finance
- Navy Federal Credit Union

EXPERIAN
- USAA
- Carvana
- State Farm Bank
- PNC Bank

EQUIFAX
- U.S. Bank
- SECU
- Ally Financial
- PenFed Credit Union

Credit bureau usage can vary by location, loan type, and individual application. This list reflects common patterns but is not guaranteed.

CREDIT CARDS

Approval Checklist

Use this checklist to make sure you're in the best position for credit card approval.

CREDIT SCORE ABOVE 700

A strong credit score improves your chances of approval and better terms.

- [ ]

NO MORE THAN 5 HARD INQUIRIES

Inquiries matter more for credit cards. Keep your total inquiries no more than 5 for the strongest approval odds.

- [ ]

CREDIT UTILIZATION BELOW 30%

Keep your balances low compared to your limits.

- [ ]

NO RECENT LATE PAYMENTS

Pay all bills on time. Late payments can lower your approval odds.

- [ ]

NO RECENT DEROGATORY ACCOUNTS

Collections, charge-offs, and judgments can hurt your approval chances.

- [ ]

Important Note

Lenders often use your existing credit limits to help determine how much credit they're willing to extend. **The higher your current limits, the more likely you are to qualify for higher limits in the future.**

WHICH CREDIT BUREAU DO LENDERS CHECK?

Banks don't always check all 3 credit reports when you apply for credit or financing. Some lenders only use one of the credit bureaus for approval.

● TransUnion | ● Experian | ● Equifax

TRANSUNION

- Navy Federal
- CareCredit
- Apple Card
- Barclays

EXPERIAN

- USAA
- Discover
- Bank of America
- Chase

EQUIFAX

- US Bank
- SECU
- Target
- Best Buy

Check all 3 of your FICO credit scores and reports at experian.com.

HOMEOWNERSHIP

Approval Checklist

Lenders look at more than just your credit score when approving you for a home loan. Use this checklist to make sure you're in the strongest position possible.

CREDIT SCORE ABOVE 620

Most lenders require a minimum score of 620 for conventional loans. The higher your score, the better your rate and terms.

- [ ]

NO LATE PAYMENTS WITHIN THE PAST 12–24 MONTHS

Recent late payments are one of the biggest reasons for mortgage denials. Most lenders require 12–24 months of on-time payments.

- [ ]

AT LEAST 3 ACTIVE POSITIVE TRADELINES

Have at least 3 active accounts (revolving or installment) reporting positive payment history.

- [ ]

CREDIT UTILIZATION BELOW 30%

Keep balances low on revolving accounts. Under 30% shows responsible credit management.

- [ ]

NO RECENT DEROGATORY ACCOUNTS

Collections, charge-offs, foreclosures, and bankruptcies can delay approval or increase your interest rate.

- [ ]

DOWN PAYMENT & CLOSING COSTS

Have your down payment saved and ready. A minimum of 3% is typical for conventional loans (20% helps avoid PMI and get better rates).

- [ ]

STABLE, VERIFIABLE INCOME

Lenders want consistent income with 2+ years of history in the same field or similar line of work.

- [ ]

Important Note

Payment history is the #1 factor in mortgage approval. Consistency builds trust. Protect your credit and pay on time, every time.

Clean history today. Homeownership tomorrow.

PLACES TO GET A MORTGAGE LOAN

PENNYMAC

PENNYMAC

Wide range of loan options including FHA, VA, USDA, and conventional loans.

pennymac.com

ROCKET Mortgage

ROCKET MORTGAGE

Online application with a fast, simple process and competitive rates.

rocketmortgage.com

SoFi

SOFI

Low down payment options and no PMI on eligible loans.

sofi.com

Better

BETTER MORTGAGE

100% online experience with no lender fees on most loans.

better.com

Guild mortgage

GUILD MORTGAGE

Many loan programs and strong customer service.

guildmortgage.com

FAIRWAY

FAIRWAY INDEPENDENT MORTGAGE

Local loan officers and a wide variety of loan solutions.

fairwaymc.com

usbank

U.S. BANK HOME MORTGAGE

Competitive rates with the security of a major bank.

usbank.com/mortgage

WELLS FARGO

WELLS FARGO HOME MORTGAGE

Flexible loan options with expert guidance.

wellsfargo.com/mortgage

YOU'RE CLOSER *Than You Think*

Your future is **WORTH THE WORK.**

APPROVAL ISN'T ABOUT LUCK.
It's about preparation.

Every positive payment, every smart financial decision, and every improvement to your credit profile brings you one step closer to your goals.

Whether you're working toward a new credit card, a reliable vehicle, or your dream home, remember this:

LENDERS DON'T APPROVE PERFECT PEOPLE.
They approve prepared people.

CREDIT CARDS	AUTO LOANS	HOMEOWNERSHIP
More options.	Reliable wheels.	Build equity.
Better perks.	Lower rates.	Create stability.
Greater flexibility.	More freedom.	Build your legacy.

YOUR FUTURE IS WORTH THE WORK.

YOUR NEXT STEPS

- [ ] Continue making every payment on time.
- [ ] Keep your credit card balances low.
- [ ] Avoid unnecessary hard inquiries.
- [ ] Build strong banking relationships.
- [ ] Keep your financial goals in mind.

YOUR FINANCIAL GOALS

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Remember:

PREPARATION TODAY
APPROVAL TOMORROW.

Preparation Today. | Approval Tomorrow.