

FICO Score in Canada. What is it and how is it calculated? aa

Your FICO score in Canada can impact major things in your life. This score is crucial when [applying for a credit card](#) or a loan because lenders use it to determine your creditworthiness.

The three-digit FICO score indicates how you are as a borrower, so understanding it is essential. Learn more about FICO scores, how it is calculated, why you should [check your score](#) and more.

Key Takeaways

- A FICO score is a credit score that uses the proprietary scoring model of analytics firm FICO or Fair Isaac Corporation.
- FICO scores range from 300 to 850, with the average range being 670 to 739.
- FICO scores are calculated based on payment history (35%), credit utilization (30%), length of credit history (15%), new credit accounts (10%) and credit mix (10%).

What is a FICO Score?

A [FICO score](#) is a specific brand of credit score that uses the proprietary scoring model of FICO, or Fair Isaac Corporation, a US-based analytics organization that develops credit scoring models lenders use to determine an individual's credit score.

FICO scores range from 300 to 850, with 850 being the best. The higher the FICO score of the borrower, the lower the lender risk.

FICO scores depend on your credit report, a statement containing information about your credit activity, including loan paying history and the status of your credit accounts.

Lenders use FICO scores to evaluate borrower risk and assess the creditworthiness of a potential borrower. Borrowers with higher scores have better chances of qualifying for a loan and a better interest rate.

FICO Score Range

As mentioned, the FICO score range is from 300 to 850. These are usually broken down into five ranges:

Poor	Fair	Good	Very Good	Exceptional
579 and below	580 to 669	670 to 739	740 to 799	800 and above

How is a FICO Score Calculated?

FICO scores are calculated based on information in consumer credit reports. Five factors go into the calculation of your FICO score:

- Payment history – 35%
- Credit utilization / Amounts owed – 30%
- Length of credit history – 15%
- New credit accounts – 10%
- Credit mix / Types of credit used – 10%

