

Keeping on top of your FICO® Score amid Coronavirus.

Disease outbreaks like the ongoing COVID-19 (Coronavirus) pandemic can impact all aspects of life. While there is a lot of good information on how to prepare to protect your health and safety, you also need to consider your FICO® Score and your financial health.

The presence of coronavirus in your community will not affect your FICO® Score directly, because data such as ZIP code or county is not considered by the model in calculating your score.

Instead, FICO® Scores are impacted negatively by consumer behaviors, such as missing payments, charging credit cards up to or over the credit limits, or opening several new credit accounts over a short period of time. These are all things that could possibly happen to a consumer's credit profile during an outbreak if they are not prepared.

Most banks have special procedures in place to work with you through this difficult time to help you maintain your good credit status. But there are also steps you can take now to be prepared:

- ✓ **Understand what credit information you may need during the outbreak.**
- ✓ **Plan in advance to automate critical deposits and payments such as your mortgage.**
- ✓ **Notify lenders about your circumstances and ask if you qualify for forbearance.**

This [FICO® Score Checklist for Coronavirus](#) can help you be prepared in case the outbreak disrupts your life and finances.

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PREPARE & RECOVER

FICO® Score Checklist for Coronavirus



FICO SCORE

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How to be more financially resilient during the Coronavirus outbreak

✓ Assess where you are financially.

Prioritize what gets paid if your income is interrupted or money gets tight due to an extended outbreak: mortgage/rent, insurance, utilities, credit cards, vehicle loans, student loans and other obligations.

✓ Consider automatic payments for your priorities.

An unintended late mortgage or credit card payment could cause the greatest damage to your credit, on top of fees and a possible increase to your interest rate. Remember that with automatic payments you must have the funds available in your account prior to the date of withdrawal. If you cannot cover the amount, due to loss of employment or delay in a deposit, fees may be added on top of the missed payment impact to your score.

✓ Do you have overdraft protection?

Overdraft protection taps into a savings account, credit card or second checking account if your account has insufficient funds to cover a transaction. This protection could help prevent declined transactions, returned checks or additional fees. There is usually no cost to enroll — you pay only when you use the service.

✓ Paycheck delayed.

If you live in an area where an outbreak has already hit, or one that is high-risk, have a conversation with your employer and learn what alternative methods may be available to get paid during disruptions. If you depend on Social Security or other regular benefits, switching to electronic payments can protect your cash flow.

✓ Investigate your credit card overlimit rules or protection programs.

Some are specific to premium cards. Most credit cards require that a consumer opts in to overlimit fees or a transaction will be declined. You may be subjected to overlimit fees for exceeding your credit limit. This could have negative repercussions on your credit as your score may continue to drop as your balances get closer to your limits. You could request a credit limit increase as a buffer.





Protect your financial health and identity

Access to credit can be a lifeline if you've missed work or lost income due to illness or closures. Be proactive. Your lenders want to know if you are in jeopardy of default or falling behind in payments.

✔ Before payments are due, start making those calls to alert your creditors.

Call creditors directly using the contact number on your statements or the back of your card. This approach is safer than responding to an incoming email, which could be fraudulent. If you receive a call or email from someone who says they are your lender, never provide your financial or identity details to them without authentication. Contact your lender directly for loan modifications rather than going through a third party.

When contacting your lender, be sure to give alternative phone numbers, a forwarding address and alternative ways to contact you. You'll also want to get their names and direct contact phone numbers if possible.

✔ Ask your creditors about your options.

Negotiate a temporary payment plan or grace period during which no fees will be calculated or missed payments reported to the credit bureaus (also known as credit reporting agencies). Be sure to ask if delayed payment plans offered will mean you are responsible for the accumulated payments as well as the payment for that month – all at once.

For example, many lenders will work with you to set up a temporary deferred payment plan, or temporarily place the loan in forbearance – meaning you may get temporary relief from having to make full payments on your credit obligations. In the aftermath of a pandemic, card issuers may waive fees and penalties to customers or offer free credit checks or identity theft protection. Each lender is different, so consider contacting all your lenders. If a creditor agrees to a change to your credit agreement, such as a suspension of payments, ask to receive the specific terms in writing.

✔ Request a copy of your credit report as soon as feasible.

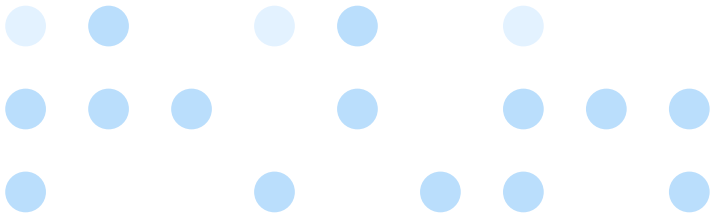
This will give you a complete picture of your credit profile at the time of the outbreak and before any post-outbreak updates have been reported to the bureaus.

By having a copy of the credit report before it reflects any changes resulting from the outbreak, you may be able to make the case to a lender or a potential new landlord that the outbreak, not financial mismanagement, caused the fluctuation in your credit score.

As a provision of the Fair Credit Reporting Act, you have the right to add a statement to your file housed at the credit reporting agencies about an account or status that you believe is incorrect that you have disputed, or to explain your personal financial situation. Add a 100-word statement explaining that you experienced a virus outbreak and how it affected your credit. Remember to revise or remove the statement as your situation improves.

✓ Ask for help

Credit and financial nonprofits can be vital, objective guides to get you back on the road to financial recovery. Credit counselors can help you develop a budget for any emergency assistance funds and manage your creditors as your advocate. Many can help you get a copy of your credit report and even your FICO® Scores to see if there has been an impact. With over 100 counseling organizations participating, FICO® Score Open Access for Credit and Financial Counseling enables providers to share FICO® Scores with their customers. For a comprehensive list of participating nonprofits, go to www.ficoscore.com/where-to-get-fico-scores.



✓ Restart the cycle: Reassess where you are financially

Have your priorities changed? Create a plan to build or restore an emergency fund or establish an emergency-only credit card that multiple family members are authorized to use. Restart the cycle by updating your credit snapshot document.

Your credit capacity and standing can be your lifeline to recovery following a major outbreak. With a little preparation, you and your family will be in a better position to get your life back on track more quickly.



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