Credit Scores

Free Credit Reporting Apps vs. Lender/Bank Credit Reports

Why are they so different?

Here's the situation: You check your credit score on a free credit reporting app then get it pulled by a bank or lender, and they don't match. Confusing, right? We're here to explain why that happens.

Why it happens

Algorithms:

I'm sure you've heard of algorithms impacting social media, but did you know they're used throughout a variety of industries for various situations? Credit reporting is one of them. Where free credit reporting companies use one type of scoring model, banks and lenders use another. The impact? Your credit score could vary up to 50 points between the two.

Factors:

When banks and lenders pull your credit, the scores they get back are taking into consideration a more focused look into the direct factors impacting your credit. When credit monitoring apps pull it, they're grouping certain factors together that have a different influence on your scores.

Free credit reporting apps are great for monitoring your credit; however, it's good to know that your credit score may look a little different when approaching loans, such as your home loan.

Banks & lender credit score considerations*

Credit monitoring app credit score considerations*

Payment history	Extremely influential
Age and type of credit	Highly influential
Percentage of credit limit used	Highly influential
Total balances and debt	Moderately influential
Recent credit behavior and inquiries	Less influential
Available credit	Less influential

Let's talk more about this!

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