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[Why Should We Aim For 720 Credit Score Not Even 719?](#)

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The financial meltdown and its continuing ripple effects have relatively changed the way we can conduct business nowadays. One of the corollaries of such change is the requirement for higher credit scores as much as 720, if lenders are to deem us creditworthy enough for some of their best offers. Such requirement might even make it harder for those with 850 perfect credit score to obtain the best offers. Let us further analyze this important development.

SOME BACKGROUND

Not long ago, if you had a credit score of 680, you should have been proud of yourself. Such credit score meant you paid your obligations on time and as such received relatively the best credit offers. However, nowadays, 680 credit score's attractiveness is gone. In fact, now 680 credit score is second-tier and this difference could mean thousands for such potential borrowers. The 720 credit score came out of the discussions Fannie and Freddie had in the aftermath of the housing meltdown. This score represented a break in risk evaluations undertaken by Fannie and Freddie in the face of mounting mortgage malaise.

SOME OBSERVATIONS

- **720 Credit Score = Less Risk?** Lenders assert borrowers with 720 credit score pose lesser of risk to them as this group usually pays their obligations on time.
- **720 Credit Score = More Profit?** Lenders believe borrowers with 720 credit score carry some balance and thus more profitable than borrowers with perfect credit score of 850. This line of reasoning posits borrowers who are less risk and have some balance offer the opportunity to lenders. This means lenders can dole out their largess and not worried about not being paid. This thinking is oxymoron as one should think if they have the best credit score they are the best type of borrowers.
- **720 Credit Score = More Problem?** Borrowers, undoubtedly, will be hurt most as the high unemployment and volatile economy make it very hard for many potential borrowers to even make their minimum payments.

HOW COULD YOU, *GENERALLY*, REACH 720 CREDIT SCORE?

Given the importance of 720 credit score, it behooves us to know how to obtain and maintain such credit score. Well. To simplify the requirements, we need to have the following:

- If you have at least 15 years of credit history;
- If you have low balances on credit cards; And
- If you have a couple of missed payments in the last two years that would generally be acceptable.

Fortunately, you could obtain and maintain 720 credit score with a short history, if you have always paid on time. In addition, if you have a long credit history, never missed a payment, nonetheless, carry a balance above 30% of your credit line, then you might still have or reach 720 credit score.

Hopefully, lenders will somewhat relax the 720 credit score threshold, as economy picks up and unnecessary anxiety fades away. We could be back to 680 credit score. Let us at least keep our hope and faith.

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