



## Press Release

# New Primer on Credit Scores

ANDREW EVANS | APRIL 7, 2020

With the coronavirus pandemic straining the economy, many are seeing the impacts in their personal finances. In a new primer, AAF's Director of Financial Services Policy Thomas Wade explains what a credit score is and how it is calculated. While this primer does not take into account policy changes in response to COVID-19 that could affect credit scores, it provides a useful baseline for understanding the mechanics of this fundamental financial metric.

An excerpt:

Although FICO and the credit bureaus can be seen as “gatekeepers” to credit, they do not make lending decisions themselves. Think instead of the credit rating agencies as data aggregators, and FICO as an independent analytic provider; the choice as to whether to extend credit remains with lenders. This division allows individual lenders to choose their risk tolerance, with lenders accepting a lower or higher credit score, depending on their business needs.

[Read the Primer](#)