

## More Debt May Raise Credit Scores; Late Payments Drag Them Down

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The national average credit score for consumers with debt above the national average is *higher* than the average credit score for those with debt below the national average, according to a new study released by Experian Consumer Direct<sup>SM</sup>. By contrast, another study found that half of all consumers have at least one delinquency on their credit file, and consumers with one missed payment in the last year have an average credit score about 160 points *lower* than the average of those with no delinquent payments.

The national average Experian PLUS Score<sup>SM</sup> for consumers is 677.

National and statewide results for the study can be found on the Experian National Score Index<sup>SM</sup> Web site. Important findings of the two studies:

- 25 percent of U.S. consumers have debt that is above the national average and their average Experian PLUS Score is 695
- U.S. consumers have an average debt of \$11,224 compared to last year's average debt of \$10,024, a 12% increase.
- The average PLUS Score for consumers with debt below the national average is 671.
- 55 percent of U.S. consumers have at least one delinquency on their credit file and 34 percent have a delinquency in the last year.
- The average Experian PLUS Score<sup>SM</sup> for consumers with one delinquency in the last year is 598 versus 759 for those with no delinquent payments.

"It's important for consumers to remember that having debt is not always a bad thing as long as they manage it well," said Ed Ojdana, president of Experian Consumer Direct. "They should also assess their finances on a regular basis by checking their accounts to be sure everything is in order before making future purchases."

Consumers should also understand, however, that one late payment can drop their credit score significantly. Even consumers who pay their bills on time may be surprised to learn their credit has been damaged by overlooked payments, or collection account for items such as unpaid medical bills, cell phone bills or parking tickets. Simply paying those bills off, however, may not raise their scores.

More information about this study, plus credit data at the state and local level, can be found on the Experian National Score Index site at [www.nationalscoreindex.com](http://www.nationalscoreindex.com).

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