

A FICO Score Between _____ And 799 Is Considered "very Good." A. 680 B. 740 C. 420 D. 550

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Understanding your credit score is crucial for managing your financial health and securing favorable loan terms. Among various credit scoring models, the FICO Score remains the industry standard, influencing many lending decisions. This article provides an in-depth exploration of what constitutes a "very good" FICO Score, focusing on the range from 680 to 799, and clarifies the significance of scores like 740, 680, and others. Whether you are planning to buy a home, finance a car, or apply for a credit card, knowing where your score fits in the spectrum is essential.

What Is a FICO Score?

Definition and Importance

A FICO Score is a three-digit number ranging from 300 to 850, developed by the Fair Isaac Corporation. It summarizes your creditworthiness based on your credit history, including payment history, amounts owed, length of credit history, new credit, and types of credit used.

This score is widely used by lenders to assess the risk of lending money. A higher FICO Score generally indicates lower risk, which often results in better loan terms, lower interest rates, and higher

chances of approval.

Components of a FICO Score

Your FICO Score is calculated based on five main factors:

1. Payment History (35%)

- Timely payments boost your score.
- Missed or late payments lower it.

2. Amounts Owed (30%)

- The credit utilization ratio, or how much credit you're using compared to your total available credit, plays a key role.
- Lower utilization rates are favorable.

3. Length of Credit History (15%)

- Longer credit histories tend to positively influence your score.

4. New Credit (10%)

- Opening multiple new accounts in a short period can negatively impact your score.

5. Credit Mix (10%)

- A diverse mix of credit types (credit cards, mortgages, auto loans) can be beneficial.

Understanding the FICO Score Range

Score Categories

FICO Scores are generally categorized as follows:

- Very Poor: 300-579
- Fair: 580-669
- Good: 670-739
- Very Good: 740-799
- Exceptional: 800-850

Each range reflects different levels of creditworthiness and influences the terms lenders may offer.

The "Very Good" Range: 740–799

A score between 740 and 799 is considered "very good." Borrowers within this range are viewed as low risk by lenders, often qualifying for the most favorable interest rates and loan conditions. This range signifies responsible credit management, timely payments, and a healthy credit profile.

Evaluating the Multiple Choice Options

Let's analyze the options provided regarding the score range considered "very good."

Option A: 680

- Analysis:

A score of 680 falls into the "Good" category (670–739). While it indicates reasonably responsible

credit behavior, it is not typically categorized as "very good." Borrowers with a 680 score may still qualify for many loans but might not receive the lowest interest rates available.

Option B: 740

- Analysis:

A score of 740 falls squarely within the "Very Good" range (740–799). This is the ideal candidate range for obtaining favorable loan terms, lower interest rates, and higher approval chances.

Option C: 420

- Analysis:

A score of 420 is considered "Poor" (300–579). Such a score often results in higher interest rates, difficulty obtaining credit, or outright denial. It is well below the "very good" category.

Option D: 550

- Analysis:

A score of 550 is classified as "Fair" (580–669). It indicates some credit issues or limited credit history but does not qualify as "very good."

Which Score Range Is "Very Good"? Clarification

Based on the standard FICO Score categories, the correct range for "very good" credit is 740 to 799.

Therefore, the correct answer is:

B. 740

The Significance of a "Very Good" FICO Score

Benefits of Having a FICO Score Between 740 and 799

- Lower Interest Rates:

Borrowers in this range are considered low risk, leading to access to the most competitive rates on mortgages, auto loans, and credit cards.

- Higher Loan Approval Rates:

Lenders are more confident in approving credit applications from individuals with scores in this range.

- Better Credit Card Offers:

Premium credit cards with rewards, travel perks, and cash-back offers often require a "very good" or "excellent" credit score.

- Greater Negotiation Power:

With a strong credit profile, you may have leverage to negotiate better terms.

How to Achieve a Score in the 740–799 Range

Building a "very good" FICO Score involves consistent, responsible credit management:

- Pay Bills on Time:

Payment history is the most significant factor.

- Keep Credit Utilization Low:

Aim to use less than 30% of your available credit.

- Maintain a Long Credit History:

Keep old accounts open to lengthen your credit profile.

- Limit New Credit Applications:

Avoid opening multiple accounts simultaneously.

- Diversify Your Credit Types:

Use different types of credit responsibly.

Impacts of Different Scores on Loan Terms

Score Range	Creditworthiness	Typical Loan Terms	Interest Rate (Approximate)
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300–579 (Poor)	High risk	Difficult to qualify, high rates	15%–30%+
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580–669 (Fair)	Moderate risk	Possible approval, higher rates	10%–15%
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670–739 (Good)	Low risk	Good approval chances	5%–10%
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740–799 (Very Good)	Very low risk	Excellent approval, best rates	3%–5%
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800–850 (Exceptional)	Minimal risk	Prime rates	2%–3%
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Note: Actual rates vary based on lenders, loan types, and economic conditions.

Conclusion

Achieving a FICO Score between 740 and 799 is a significant milestone in your financial journey. It reflects responsible credit management and opens doors to the most favorable lending options. When evaluating options, remember that the key is not just reaching a specific number but maintaining good credit habits over time.

In summary:

- The correct answer to the quiz is B. 740.
- A score in this range signifies "very good" creditworthiness.
- Consistently practicing good credit habits can help you reach and maintain this level.
- Understanding your FICO Score empowers you to make informed financial decisions.

By focusing on improving and maintaining your credit score, you can enjoy better financial opportunities, lower borrowing costs, and greater financial security.

Frequently Asked Questions

What FICO score range is considered 'very good' according to the options provided?

B. 740

Is a FICO score of 680 classified as 'very good'?

No, 680 is below the 'very good' range.

Which FICO score range is generally viewed as excellent or very good by lenders?

A FICO score between 740 and 799 is considered 'very good'.

If your FICO score is 420, how is it classified according to the options?

It is below the 'very good' range; typically considered poor or very poor.

What is the significance of having a FICO score between 740 and 799?

It indicates a very good credit history, often resulting in better loan terms and interest rates.

Can a FICO score of 550 be considered 'very good'?

No, 550 is below the 'very good' range.

Which of the options is the highest FICO score considered 'very good'?

B. 740

What is the lowest FICO score among the options that still qualifies as 'very good'?

A. 680

How does a FICO score of 799 compare to the 'very good' range?

A score of 799 is at the higher end of the 'very good' range.

Why is it important to know the 'very good' FICO score range?

Knowing this helps individuals understand their creditworthiness and the types of loans or credit offers they can qualify for.

Additional Resources

A FICO Score Between _____ And 799 Is Considered "very Good." A. 680 B. 740 C. 420 D. 550

Understanding your credit score is crucial when it comes to managing your financial health, qualifying for loans, and securing favorable interest rates. In this context, the statement "A FICO Score Between _____ And 799 Is Considered 'very good.'" is often encountered, but selecting the correct range requires a clear understanding of how FICO scores are categorized. Among the options—680, 740, 420, and 550—the correct answer is B. 740. This article will guide you through the nuances of FICO score ranges, what "very good" indicates, and how your score impacts your financial opportunities.

What is a FICO Score?

A FICO Score is a three-digit number ranging from 300 to 850 that lenders use to assess your credit risk. Developed by the Fair Isaac Corporation, this score synthesizes information from your credit report, including your payment history, amounts owed, length of credit history, new credit, and credit mix.

A higher FICO score generally correlates with lower risk to lenders, which can translate into better loan terms, lower interest rates, and increased borrowing opportunities. Conversely, lower scores may result in higher interest rates, loan denials, or less favorable credit conditions.

The FICO Score Ranges and Their Significance

FICO scores are divided into categories that help lenders quickly assess creditworthiness:

Score Range	Label	Description
300–579	Very Poor	High risk; difficult to get credit; very high interest rates.
580–669	Fair	Some risk; may qualify for loans but at higher rates.
670–739	Good	More favorable terms; considered acceptable by most lenders.
740–799	Very Good	Low risk; access to better interest rates and credit offers.
800–850	Exceptional	Lowest risk; premium credit terms available.

Note: Different lenders may interpret these ranges slightly differently, but these are the generally accepted standards.

Why Is 740 the Correct Range for "Very Good"?

Given the above, the option B. 740 aligns with the widely recognized FICO score categorization as "very good." Scores starting at 740 and up to 799 are generally viewed by lenders as indicating a low risk, reflecting responsible credit management over time.

The options 680, 420, and 550 fall into different categories:

- 680 is within the "Good" range (670–739), indicating a solid credit history but not yet "very good."
- 420 and 550 are in the "Very Poor" and "Fair" ranges, respectively, highlighting credit challenges or less favorable credit histories, and are not associated with "very good" credit.

What Does a "Very Good" FICO Score Mean for You?

Having a score in the 740–799 range communicates to lenders that you are a low-risk borrower. Here are some benefits associated with a "very good" credit score:

1. Access to Better Loan Terms

- Lower interest rates on mortgages, auto loans, and personal loans.
- Higher chances of approval for credit cards and loans.
- Larger borrowing limits.

2. Favorable Credit Card Offers

- Eligibility for premium credit cards with rewards and perks.
- Lower annual fees and better introductory offers.

3. Improved Negotiating Power

- Ability to negotiate better loan conditions.
- Greater leverage in credit line increases.

4. Faster Approval Process

- Lenders are more confident in your ability to repay.
- Reduced scrutiny and faster approval times.

How to Achieve and Maintain a "Very Good" FICO Score

If your current score is below 740, don't despair—improving your credit score is achievable through consistent financial habits:

1. Pay Bills on Time

- Payment history is the most significant factor; always pay bills by their due date.

- Set up automatic payments or reminders.

2. Keep Credit Utilization Low

- Aim to use no more than 30% of your available credit limit.
- Paying down balances regularly helps improve your utilization ratio.

3. Avoid Opening Multiple New Accounts at Once

- Each new credit inquiry can slightly lower your score.
- Apply for new credit only when necessary.

4. Maintain a Mix of Credit Types

- Having different types of credit (credit cards, auto loans, mortgages) can positively impact your score.

5. Regularly Check Your Credit Report

- Review reports for errors or fraudulent activity.
- Dispute inaccuracies promptly.

6. Limit Hard Inquiries

- Too many inquiries in a short period may signal financial distress.

Common Misconceptions About FICO Scores

- A higher score always equals the best deal: While generally true, lenders also consider other factors, such as income and debt-to-income ratio.
- Closing unused credit accounts improves your score: Closing accounts can sometimes reduce your total available credit, increasing utilization and possibly lowering your score.
- Your score doesn't change: Your FICO score fluctuates based on your credit behavior; consistent responsible habits can raise it over time.

Summary: The Correct Answer and Its Implications

In conclusion, the statement "A FICO Score Between _____ And 799 Is Considered 'very good.'" is best completed with B. 740. Scores in this range demonstrate low risk, opening doors to better financial products and terms.

Option	Range Category	Explanation
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A. 680	Good	Slightly below "very good" but still favorable.
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B. 740	Very Good	The correct answer; low risk.
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C. 420	Very Poor	Needs significant improvement.
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D. 550	Fair	Moderate risk; below "very good."
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Final Thoughts

Achieving and maintaining a FICO score of 740 or higher can significantly impact your financial well-being. It translates into access to the best lending options, lower interest rates, and greater financial flexibility. Focusing on responsible credit habits, monitoring your credit report, and understanding the scoring system are essential steps toward reaching the "very good" credit tier.

Remember, your credit score is a reflection of your financial behavior over time. With patience and diligence, you can improve your score and unlock more opportunities for your financial future.

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