

## Credit Scores Could Change Under New System

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A recent article on [cnbc.com](https://www.cnbc.com) reported that up to 110 million customers in the United States will have their credit scores altered under a new logarithm. Individuals who have a higher level of debt and/or some additional late payments on their record are more likely to see a negative change while those with less overall debt and strong payment histories will likely see an increase in their FICO score.

A person in business needs to maintain a sterling credit history. King Solomon wrote, "A good name is to be chosen rather than great riches, and favor is better than silver or gold." (Proverbs 22:1, ESV) When a small business seeks credit for their business, the credit history of the owner or owners is critical in the approval process. Also, we know that the higher the score the better the terms; the lower the score means less desirable terms.

I understand these changes to be reasonable changes. Those who are more reliable with a lower debt load should be viewed as a better risk and therefore should receive a higher FICO score.

Review your current circumstances and determine how your future credit score could change. Make adjustments now that will give you the best score when these changes are implemented.