



CREDIT SCORE VS. MORTGAGE COST

**HOW LONG IT TAKES TO IMPROVE AND HOW
MUCH IT CAN SAVE, STATE BY STATE**

FEBRUARY 2026

Introduction

AD Mortgage conducted this study to estimate how much borrowers across U.S. states can save on a 30-year mortgage by improving their credit score – and how long it typically takes to reach that level.

By modeling the path from the average FICO score in each state to a top-tier score of 760, we highlight where credit improvement is most impactful and most time-consuming. We then translate those savings into real-world context, showing how they relate to local incomes, home prices, and loan sizes.

“This new data underscores just how critical credit education and early financial preparation are for today’s homebuyers,” said **Max Slyusarchuk, CEO of AD Mortgage**. “A difference of 20 or 30 FICO points may seem small, but over the life of a mortgage, it can determine whether a borrower pays an extra \$20,000 in unnecessary interest. Our goal with this report is to give lenders, brokers, and consumers actionable insight into how credit impacts true buying power.”

Methodology

This analysis combines publicly available data with modeled scenarios to estimate the financial benefit of raising a credit score to 760, and how long that improvement might take.

- **Starting Credit Score:** For each state, we used the average FICO score as [reported by Experian](#) as of September 2024.
In this analysis, “suboptimal” credit refers to the average FICO score in each state – not necessarily a poor or below-average score, but one that typically does not qualify for the most favorable mortgage rates.
- **Target Score:** A FICO score of 760 was chosen as the benchmark for “very good” credit, based on tiers used in the [myFICO Loan Savings Calculator](#), which identifies 760+ as qualifying for the best available mortgage rates
- **Credit Score Growth Rate:** We assumed a consistent modeled improvement rate of 20 FICO points per year, which represents a plausible, sustained pace for individuals actively working to build credit.
While the 20-point annual improvement is a reasonable benchmark, actual credit score progress can vary significantly based on individual credit history, behaviors, and starting conditions.
- **Home Prices:** Median home values by state were sourced from the [Zillow Home Value Index](#) as of December 2025.



- **Loan Terms:** Mortgage calculations assume a 30-year fixed-rate loan with a 15% down payment – a national median figure derived from the [2025 NAR Home Buyers and Sellers Generational Trends Report](#).
- **Interest Rates by Credit Tier:** Mortgage APRs for both the current and target FICO scores were sourced from the [myFICO Loan Savings Calculator](#), which provides national averages by credit tier. Rates were accessed on February 4, 2026.
Actual mortgage rates may vary based on additional borrower factors such as debt-to-income ratio, loan-to-value ratio, and lender-specific underwriting. This analysis uses standardized national averages for comparability.
- **Monthly and Total Interest:** Mortgage payments and total interest over 30 years were calculated using the [myFICO Loan Savings Calculator](#), assuming state-level home prices and loan amounts. Calculations reflect mortgage APRs retrieved from the tool as of February 4, 2026.
- **Income Data:** Median household income by state comes from the [U.S. Census Bureau's American Community Survey](#).

These inputs allowed us to estimate:

1. The number of years required to improve a credit score from the state average to 760
2. The total dollar savings in mortgage interest over 30 years from improving a FICO score from the state average to 760
3. The savings as a percentage of the total loan amount
4. The savings as a percentage of annual household income

All savings figures represent cumulative interest reductions over the life of a 30-year fixed-rate mortgage, based on achieving a FICO score of 760 starting from each state's average.

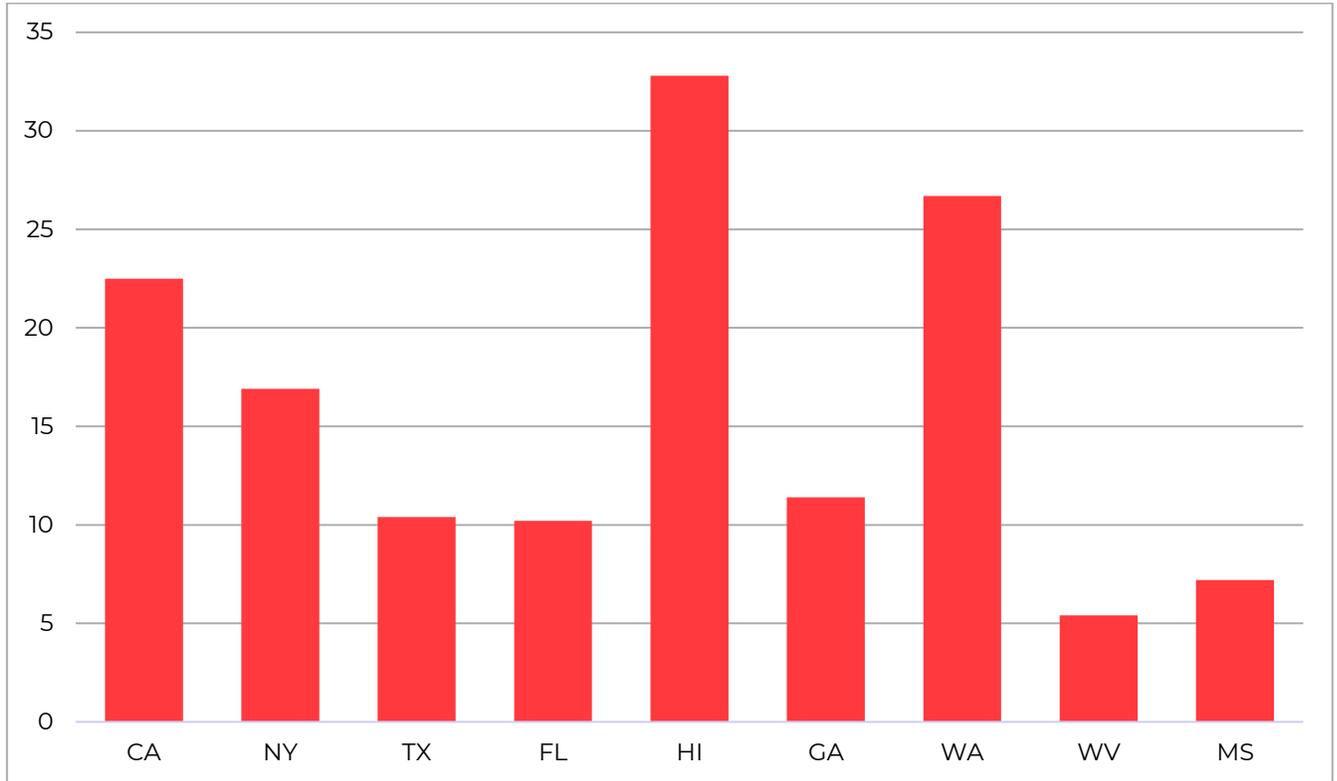
Key Finding: Where Credit Score Improvement Pays Off Most Relative to Income

Annualized Mortgage Savings from Reaching a 760+ Credit Score (% of Median Income)

Based on the methodology above, the ranking below summarizes where credit improvement offers the greatest financial return. Full state-by-state calculations and explanations follow in the next sections. **The higher the percentage, the more financially worthwhile it is to invest time in building credit.**

1. Hawaii (32.8%)
2. Washington (26.7%)
3. Massachusetts (24.5%)
4. Minnesota (24.2%)
5. Montana (24.2%)
6. New Hampshire (23.2%)
7. Oregon (23.1%)
8. Vermont (22.6%)
9. California (22.5%)
10. Idaho (21.5%)
11. Colorado (21.3%)
12. Wisconsin (21.0%)
13. Utah (20.6%)
14. Maine (20.2%)
15. South Dakota (17.4%)
16. New York (16.9%)
17. Rhode Island (16.9%)
18. New Jersey (16.8%)
19. Wyoming (15.2%)
20. Virginia (15.0%)
21. North Dakota (14.9%)
22. Connecticut (14.6%)
23. Nebraska (13.7%)
24. District of Columbia (13.1%)
25. Arizona (12.1%)
26. Alaska (11.8%)
27. Georgia (11.4%)
28. Iowa (11.2%)
29. Delaware (11.1%)
30. Pennsylvania (10.6%)
31. Texas (10.4%)
32. Nevada (10.4%)
33. Maryland (10.3%)
34. Florida (10.2%)
35. Arkansas (9.8%)
36. North Carolina (9.8%)
37. Michigan (9.5%)
38. Illinois (9.4%)
39. Tennessee (9.4%)
40. Kansas (9.3%)
41. Oklahoma (9.3%)
42. Alabama (9.2%)
43. Louisiana (8.8%)
44. New Mexico (8.8%)
45. Missouri (8.7%)
46. Ohio (8.4%)
47. Indiana (8.1%)
48. South Carolina (7.7%)
49. Mississippi (7.2%)
50. Kentucky (7.1%)
51. West Virginia (5.4%)

Credit Improvement Efficiency: Largest States vs. Most and Least Efficient Markets



Shows annual benefit (as % of income) from reaching a 760+ FICO score in key housing markets

How Long It Takes to Improve a Credit Score

To understand how accessible prime mortgage rates are across the U.S., we estimated how long it would take an average borrower in each state to grow their credit score to 760 – the threshold for top-tier lending terms.

Most states show a timeline of **1.5 to 3 years** to improve from the average state FICO to a prime score of 760 – assuming a growth rate of 20 points per year.

Mississippi and Louisiana present the longest journey, requiring **3.5 to 4 years** of consistent improvement.

At the other end of the spectrum, **Minnesota** leads the country with the shortest timeline – **just 0.9 years** – thanks to an already high average credit score of 742.

Wisconsin, Vermont, and **New Hampshire** also show fast paths, each under **1.2 years**, while most others fall in the middle range of **2 to 2.8 years**, including **Florida (2.65)** and **Texas (3.25)**.

These timelines suggest that in many states, borrowers are already close to excellent credit – and even modest improvements can unlock access to better mortgage rates quickly.

State	Average FICO	Target FICO	FICO Gap	Score Growth Rate (pts/year)	Estimated Years to Target
Alabama	692	760	68	20	3.4
Alaska	722		38		1.9
Arizona	712		48		2.4
Arkansas	695		65		3.25
California	722		38		1.9
Colorado	731		29		1.45
Connecticut	726		34		1.7
Delaware	714		46		2.3
District of Columbia	715		45		2.25

Credit Score vs. Mortgage Cost: How Long It Takes to Improve and How Much It Can Save, State by State

State	Average FICO	Target FICO	FICO Gap	Score Growth Rate (pts/year)	Estimated Years to Target
Florida	707	750	53	15	2.65
Georgia	695		65		3.25
Hawaii	732		28		1.4
Idaho	730		30		1.5
Illinois	720		40		2
Indiana	712		48		2.4
Iowa	730		30		1.5
Kansas	722		38		1.9
Kentucky	705		55		2.75
Louisiana	690		70		3.5
Maine	731		29		1.45
Maryland	715		45		2.25
Massachusetts	732		28		1.4
Michigan	719		41		2.05
Minnesota	742		18		0.9
Mississippi	680		80		4
Missouri	714		46		2.3
Montana	732		28		1.4
Nebraska	731		29		1.45
Nevada	701		59		2.95

Credit Score vs. Mortgage Cost: How Long It Takes to Improve and How Much It Can Save, State by State

State	Average FICO	Target FICO	FICO Gap	Score Growth Rate (pts/year)	Estimated Years to Target
New Hampshire	736	760	24	1.5	1.2
New Jersey	724		36		1.8
New Mexico	702		58		2.9
New York	721		39		1.95
North Carolina	709		51		2.55
North Dakota	733		27		1.35
Ohio	716		44		2.2
Oklahoma	696		64		3.2
Oregon	732		28		1.4
Pennsylvania	722		38		1.9
Rhode Island	721		39		1.95
South Carolina	700		60		3
South Dakota	734		26		1.3
Tennessee	706		54		2.7
Texas	695		65		3.25
Utah	730		30		1.5
Vermont	737		23		1.15
Virginia	723		37		1.85
Washington	735		25		1.25
West Virginia	702		58		2.9

State	Average FICO	Target FICO	FICO Gap	Score Growth Rate (pts/year)	Estimated Years to Target
Wisconsin	738	760	22	20	1.1
Wyoming	725		35		1.75

Table 1. Estimated Years Required to Improve Credit Score to 760 by State

Calculations based on average state-level FICO scores and a standardized credit score improvement rate of 20 points per year.

Top 3 Shortest Timelines to Reach 760 FICO

1. Minnesota – 0.9 years (Avg. FICO: 742)
2. Wisconsin – 1.1 years (Avg. FICO: 737)
3. Vermont – 1.15 years (Avg. FICO: 738)

Top 3 Longest Timelines to Reach 760 FICO

1. Mississippi – 4.0 years (Avg. FICO: 680)
2. Louisiana – 3.5 years (Avg. FICO: 690)
3. Georgia / Texas / Arkansas – 3.25 years (Avg. FICO: 695)

Savings from Reaching a 760+ FICO

To quantify the long-term value of excellent credit, we estimated how much interest an average borrower could save over a 30-year mortgage by improving their FICO score to 760.

Using typical home prices and credit-tier mortgage rates, we compared total interest payments for a borrower with the average state-level credit score versus a borrower with 760+, assuming a 15% down payment and fixed-rate loan.

In **Hawaii**, improving to a 760+ score could save up to **\$46,206** – the largest potential savings nationwide, driven by high home values. **California** and **Massachusetts** follow, with savings of **\$42,753** and **\$36,022**, where even small rate differences add up over large loan amounts.

At the other end of the spectrum, borrowers in **West Virginia** could save **\$9,547** – the smallest amount – though still equivalent to several monthly payments.

Across most states, reaching a top-tier credit score can lead to **\$20,000–\$30,000** in interest savings over the life of the loan – a powerful incentive for borrowers to invest in credit improvement.

Moreover, when we express these savings as a percentage of the loan amount, we find **seven states** where the savings exceed **10.7%** of the borrowed principal – all of which had higher initial interest rates (**6.91%**). These states are:

- Alabama
- Arkansas
- Georgia
- Louisiana
- Mississippi
- Oklahoma
- Texas

This shows that even in states with lower home prices, the relative financial penalty for having suboptimal credit can be disproportionately high – making credit score improvement especially impactful for borrowers in these regions.

State	Current Rate (%)	Target Rate (%)	Average Home Price	Down Payment (%)	Loan Amount (\$)	Interest Paid (current)	Interest Paid (target)	Savings from Reaching a 760+ FICO (\$)	FICO Gap Cost (% of Loan)
Alabama	6.91%	6.46%	\$229,368	15	\$194,963	\$267,943	\$247,005	\$20,938	10.7%
Alaska	6.74%		\$377,398		\$320,788	\$427,778	\$406,416	\$21,362	6.7%
Arizona	6.74%		\$417,121		\$354,553	\$472,803	\$449,194	\$23,609	6.7%
Arkansas	6.91%		\$216,491		\$184,017	\$252,901	\$233,137	\$19,764	10.7%
California	6.74%		\$755,330		\$642,031	\$856,159	\$813,406	\$42,753	6.7%
Colorado	6.74%		\$529,754		\$450,291	\$600,470	\$570,485	\$29,985	6.7%
Connecticut	6.74%		\$422,555		\$359,172	\$478,962	\$455,044	\$23,918	6.7%
Delaware	6.74%		\$394,014		\$334,912	\$446,612	\$424,310	\$22,302	6.7%
District of Columbia	6.74%		\$572,190		\$486,362	\$648,574	\$616,185	\$32,389	6.7%
Florida	6.74%		\$369,996		\$314,497	\$419,388	\$398,443	\$20,945	6.7%
Georgia	6.91%		\$325,887		\$277,004	\$380,694	\$350,944	\$29,750	10.7%
Hawaii	6.74%		\$816,383		\$693,926	\$925,361	\$879,155	\$46,206	6.7%

State	Current Rate (%)	Target Rate (%)	Average Home Price	Down Payment (%)	Loan Amount (\$)	Interest Paid (current)	Interest Paid (target)	Savings from Reaching a 760+ FICO (\$)	FICO Gap Cost (% of Loan)
Idaho	6.74%		\$463,123		\$393,655	\$524,946	\$498,731	\$26,215	6.7%
Illinois	6.74%		\$277,191		\$235,612	\$314,194	\$298,502	\$15,692	6.7%
Indiana	6.74%		\$246,452		\$209,484	\$279,349	\$265,403	\$13,946	6.7%
Iowa	6.74%		\$225,028		\$191,274	\$255,068	\$242,332	\$12,736	6.7%
Kansas	6.74%		\$236,285		\$200,842	\$267,828	\$254,454	\$13,374	6.7%
Kentucky	6.74%		\$224,082		\$190,470	\$253,997	\$241,310	\$12,687	6.7%
Louisiana	6.91%		\$206,193		\$175,264	\$240,871	\$222,046	\$18,825	10.7%
Maine	6.74%		\$395,931		\$336,541	\$448,785	\$426,375	\$22,410	6.7%
Maryland	6.74%		\$420,793		\$357,674	\$476,964	\$453,147	\$23,817	6.7%
Massachusetts	6.74%		\$636,412		\$540,950	\$721,365	\$685,343	\$36,022	6.7%
Michigan	6.74%		\$249,916		\$212,429	\$283,277	\$269,132	\$14,145	6.7%
Minnesota	6.74%		\$335,820		\$285,447	\$380,650	\$361,642	\$19,008	6.7%
Mississippi	6.91%		\$186,256		\$158,318	\$217,583	\$200,577	\$17,006	10.7%
Missouri	6.74%		\$254,019		\$215,916	\$287,929	\$273,551	\$14,378	6.7%
Montana	6.74%		\$451,657		\$383,908	\$511,948	\$486,385	\$25,563	6.7%
Nebraska	6.74%		\$267,254		\$227,166	\$302,930	\$287,803	\$15,127	6.7%
Nevada	6.74%		\$440,084		\$374,071	\$498,832	\$473,920	\$24,912	6.7%
New Hampshire	6.74%		\$490,462		\$416,893	\$555,935	\$528,172	\$27,763	6.7%
New Jersey	6.74%		\$556,462		\$472,993	\$630,745	\$599,249	\$31,496	6.7%
New Mexico	6.74%		\$306,813		\$260,791	\$347,771	\$330,405	\$17,366	6.7%

Credit Score vs. Mortgage Cost: How Long It Takes to Improve and How Much It Can Save, State by State

State	Current Rate (%)	Target Rate (%)	Average Home Price	Down Payment (%)	Loan Amount (\$)	Interest Paid (current)	Interest Paid (target)	Savings from Reaching a 760+ FICO (\$)	FICO Gap Cost (% of Loan)
New York	6.74%		\$498,383		\$423,626	\$564,912	\$536,703	\$28,209	6.7%
North Carolina	6.74%		\$327,663		\$278,514	\$371,405	\$352,858	\$18,547	6.7%
North Dakota	6.74%		\$276,906		\$235,370	\$313,871	\$298,197	\$15,674	6.7%
Ohio	6.74%		\$234,363		\$199,209	\$265,648	\$252,382	\$13,266	6.7%
Oklahoma	6.91%		\$214,507		\$182,331	\$250,583	\$230,999	\$19,584	10.7%
Oregon	6.74%		\$487,843		\$414,667	\$552,966	\$525,354	\$27,612	6.7%
Pennsylvania	6.74%		\$275,155		\$233,882	\$311,885	\$296,312	\$15,573	6.7%
Rhode Island	6.74%		\$485,345		\$412,543	\$550,133	\$522,661	\$27,472	6.7%
South Carolina	6.74%		\$296,981		\$252,434	\$336,627	\$319,815	\$16,812	6.7%
South Dakota	6.74%		\$308,011		\$261,809	\$349,125	\$331,694	\$17,431	6.7%
Tennessee	6.74%		\$323,808		\$275,237	\$367,032	\$348,704	\$18,328	6.7%
Texas	6.91%		\$294,444		\$250,277	\$343,964	\$317,083	\$26,881	10.7%
Utah	6.74%		\$528,078		\$448,866	\$598,572	\$568,681	\$29,891	6.7%
Vermont	6.74%		\$379,669		\$322,719	\$430,351	\$408,862	\$21,489	6.7%
Virginia	6.74%		\$400,622		\$340,529	\$454,103	\$431,426	\$22,677	6.7%
Washington	6.74%		\$585,576		\$497,740	\$663,746	\$630,601	\$33,145	6.7%
West Virginia	6.74%		\$168,655		\$143,357	\$191,169	\$181,622	\$9,547	6.7%
Wisconsin	6.74%		\$316,876		\$269,345	\$359,175	\$341,240	\$17,935	6.7%
Wyoming	6.74%		\$354,219		\$301,086	\$401,504	\$381,456	\$20,048	6.7%

Table 2. Estimated 30-Year Mortgage Savings from Reaching a 760+ Credit Score by State (2026)

Calculations based on average state-level mortgage rates by credit tier, typical home values, and a 15% down payment. Interest savings reflect the difference in total payments over a 30-year fixed-rate loan.

Top 3 States with the Highest Potential Savings from a 760+ Credit Score

1. Hawaii – \$46,206
2. California – \$42,753
3. Massachusetts – \$36,022

Top 3 States with the Lowest Potential Savings from a 760+ Credit Score

1. West Virginia – \$9,547
2. Kentucky – \$12,687
3. Iowa – \$12,736

Credit Score Savings in Terms of Income Impact

To understand the real burden of a suboptimal credit score, we translated the 30-year mortgage savings into a single intuitive metric: the percentage of annual household income it represents. This allows for clearer state-by-state comparisons that factor in both home prices and local earnings.

Households in high-cost states face the steepest penalties for lower credit scores. **Hawaii** tops the list, where improving to a 760+ FICO score could save the equivalent of **45.9%** of annual income – the highest share in the country. **California** and **Georgia** follow closely, with savings of **42.7%** and **37.2%**, respectively.

At the other end, **West Virginia** is the least impacted: the potential savings represent just **15.7%** of annual income. **Iowa** and **Kansas** also rank among the lowest, with savings under **18%**.

State	Savings from Reaching a 760+ FICO (\$)	Median Household Income (2024)	Savings as % of Annual Income	Years to Target	Efficiency (\$/year)	Relative Efficiency (% of income)
Alabama	\$20,938	\$66,659	31.41%	3.4	\$6,158	9.2%
Alaska	\$21,362	\$95,665	22.33%	1.9	\$11,243	11.8%

State	Savings from Reaching a 760+ FICO (\$)	Median Household Income (2024)	Savings as % of Annual Income	Years to Target	Efficiency (\$/year)	Relative Efficiency (% of income)
Arizona	\$23,609	\$81,486	28.97%	2.4	\$9,837	12.1%
Arkansas	\$19,764	\$62,106	31.82%	3.25	\$6,081	9.8%
California	\$42,753	\$100,149	42.69%	1.9	\$22,502	22.5%
Colorado	\$29,985	\$97,113	30.88%	1.45	\$20,679	21.3%
Connecticut	\$23,918	\$96,049	24.90%	1.7	\$14,069	14.6%
Delaware	\$22,302	\$87,534	25.48%	2.3	\$9,697	11.1%
District of Columbia	\$32,389	\$109,707	29.52%	2.25	\$14,395	13.1%
Florida	\$20,945	\$77,735	26.94%	2.65	\$7,904	10.2%
Georgia	\$29,750	\$79,991	37.19%	3.25	\$9,154	11.4%
Hawaii	\$46,206	\$100,745	45.86%	1.4	\$33,004	32.8%
Idaho	\$26,215	\$81,166	32.30%	1.5	\$17,477	21.5%
Illinois	\$15,692	\$83,211	18.86%	2	\$7,846	9.4%
Indiana	\$13,946	\$71,959	19.38%	2.4	\$5,811	8.1%
Iowa	\$12,736	\$75,501	16.87%	1.5	\$8,491	11.2%
Kansas	\$13,374	\$75,514	17.71%	1.9	\$7,039	9.3%
Kentucky	\$12,687	\$64,526	19.66%	2.75	\$4,613	7.1%
Louisiana	\$18,825	\$60,986	30.87%	3.5	\$5,379	8.8%
Maine	\$22,410	\$76,442	29.32%	1.45	\$15,455	20.2%
Maryland	\$23,817	\$102,905	23.14%	2.25	\$10,585	10.3%
Massachusetts	\$36,022	\$104,828	34.36%	1.4	\$25,730	24.5%

State	Savings from Reaching a 760+ FICO (\$)	Median Household Income (2024)	Savings as % of Annual Income	Years to Target	Efficiency (\$/year)	Relative Efficiency (% of income)
Michigan	\$14,145	\$72,389	19.54%	2.05	\$6,900	9.5%
Minnesota	\$19,008	\$87,117	21.82%	0.9	\$21,120	24.2%
Mississippi	\$17,006	\$59,127	28.76%	4	\$4,252	7.2%
Missouri	\$14,378	\$71,589	20.08%	2.3	\$6,251	8.7%
Montana	\$25,563	\$75,340	33.93%	1.4	\$18,259	24.2%
Nebraska	\$15,127	\$76,376	19.81%	1.45	\$10,432	13.7%
Nevada	\$24,912	\$81,134	30.70%	2.95	\$8,445	10.4%
New Hampshire	\$27,763	\$99,782	27.82%	1.2	\$23,136	23.2%
New Jersey	\$31,496	\$104,294	30.20%	1.8	\$17,498	16.8%
New Mexico	\$17,366	\$67,816	25.61%	2.9	\$5,988	8.8%
New York	\$28,209	\$85,820	32.87%	1.95	\$14,466	16.9%
North Carolina	\$18,547	\$73,958	25.08%	2.55	\$7,273	9.8%
North Dakota	\$15,674	\$77,871	20.13%	1.35	\$11,610	14.9%
Ohio	\$13,266	\$72,212	18.37%	2.2	\$6,030	8.4%
Oklahoma	\$19,584	\$66,148	29.61%	3.2	\$6,120	9.3%
Oregon	\$27,612	\$85,220	32.40%	1.4	\$19,723	23.1%
Pennsylvania	\$15,573	\$77,545	20.08%	1.9	\$8,196	10.6%
Rhode Island	\$27,472	\$83,504	32.90%	1.95	\$14,088	16.9%
South Carolina	\$16,812	\$72,350	23.24%	3	\$5,604	7.7%
South Dakota	\$17,431	\$76,881	22.67%	1.3	\$13,408	17.4%

State	Savings from Reaching a 760+ FICO (\$)	Median Household Income (2024)	Savings as % of Annual Income	Years to Target	Efficiency (\$/year)	Relative Efficiency (% of income)
Tennessee	\$18,328	\$71,997	25.46%	2.7	\$6,788	9.4%
Texas	\$26,881	\$79,721	33.72%	3.25	\$8,271	10.4%
Utah	\$29,891	\$96,658	30.92%	1.5	\$19,927	20.6%
Vermont	\$21,489	\$82,730	25.97%	1.15	\$18,686	22.6%
Virginia	\$22,677	\$81,604	27.79%	1.85	\$12,258	15.0%
Washington	\$33,145	\$99,389	33.35%	1.25	\$26,516	26.7%
West Virginia	\$9,547	\$60,798	15.70%	2.9	\$3,292	5.4%
Wisconsin	\$17,935	\$77,488	23.15%	1.1	\$16,305	21.0%
Wyoming	\$20,048	\$75,532	26.54%	1.75	\$11,456	15.2%

Table 3. Mortgage Savings from Reaching a 760+ Credit Score as a Share of Median Income by State (2026)
Calculations based on average state-level household income, estimated interest savings from credit improvement, and a 30-year fixed-rate loan with a 15% down payment.

Top 3 States with the Highest Savings Relative to Income

Mortgage savings from reaching a 760+ credit score, expressed as the largest percentage of median annual income

1. Hawaii – 45.9%
2. California – 42.7%
3. Georgia – 37.2%

Top 3 States with the Lowest Savings Relative to Income

1. West Virginia – 15.7%
2. Iowa – 16.9%
3. Kansas – 17.7%

But how efficient is credit improvement in each state, once we account for how long it takes – and how much people earn?



Top 3 States with the Highest Yearly Savings from Credit Improvement (as % of Income)

Shows how much a typical household would save each year, on average, by reaching a 760+ credit score – as a share of their annual income

1. Hawaii – 32.8%
2. Washington – 26.7%
3. Massachusetts – 24.5%

Top 3 States with the Lowest Yearly Savings from Credit Improvement (as % of Income)

Even after several years of effort, these states offer the smallest annual payoff relative to household income

1. West Virginia – 5.4%
2. Kentucky – 7.1%
3. Mississippi – 7.2%

Summary

Improving a credit score can lead to tens of thousands of dollars in mortgage savings – but how much that really helps depends on three things:

1. how big the savings are,
2. how long it takes to improve, and
3. how that compares to what people actually earn.

1. Big total savings don't always mean big real-world benefit

In Hawaii, a borrower with a 760+ credit score can save \$46,000 over 30 years – compared to someone with the average FICO score in the state.

But in Mississippi, the savings are smaller – \$17,000 – yet still represent almost 30% of local annual income.

In both cases, the savings matter – but their impact depends on income levels and home prices, not just mortgage rate differences.

2. Time matters: a long credit journey can dilute the reward

Some states, like Georgia or Texas, require 3+ years to move from average credit to 760.



In these cases, even if the total savings from credit improvement are high (e.g. \$27,000–\$35,000), the yearly benefit averages \$10,000 or less – a decent return, but not always better than paying off high-interest debt or investing elsewhere.

3. The best payoff comes where savings are high and timelines are short

States like Washington, Massachusetts, and Colorado combine several favorable factors:

- large total savings from credit score improvement (vs. state average)
- short improvement timelines
- high yearly value (over 20% of annual income in some cases)

By contrast, in states like West Virginia or Kentucky, the credit improvement journey is long, and the potential savings are smaller – making the payoff less impactful in the short term.

What This Means

To really understand whether it's worth focusing on credit improvement before buying a home, borrowers (and lenders) should consider:

1. How long will it take to reach 760?
2. How much interest could I save?
3. What is that saving worth compared to my income?

Our analysis shows that the answers vary widely by state – and the most useful insights come when you look at credit, income, and housing costs together, not in isolation.