Payment history and debt total are important parts but not the only factors.

In the land of credit scores, FICO is king. The bulk of banks in the United States use FICO scores to decide whether to offer credit to potential borrowers and at what interest rate. FICO has a major global presence, as well: According to the company's testimony before a House Financial Services Committee, FICO scores are used in about 10 billion decisions worldwide each year.

So how does FICO come up with its widely used score?

While the inner workings of the FICO scoring system are a closely guarded secret, the company is open about the general components of a FICO credit score. Using the information in a borrower's credit report, FICO breaks that information into categories. Those five components each get different weights. "FICO scores give the most attention to how you have paid back lenders in the past and how much you are using of the credit available to you, as shown on your credit report. Those two factors contribute roughly two-thirds of a typical person's FICO score," says FICO spokesman Craig Watts.

Here's a breakdown of the five elements of the FICO score:

1. Payment History: 35% of the Total Credit Score

Based on a borrower's payment history, making the repayment of past debt the most important factor in calculating credit scores. According to FICO, past long-term behavior is used to forecast future long-term behavior.

FICO keeps an eye on both revolving loans -- like credit cards -- and installment loans, such as mortgages or student loans. Although the weight of each loan varies between individuals, FICO indicates that defaulting on a larger installment loan like a mortgage will damage a credit score more severely than defaulting on a smaller revolving loan. One of the best ways for borrowers to improve their credit score as a whole is by making consistent, timely payments.

2. Debt Amounts -- 30%

Based on a borrower's total outstanding debt. Revolving lines of credit, which allow a consumer to borrow as much or as little as desired up to a limit (versus installment loans where a set amount -- say, $20,000 plus interest for a car -- is determined at the outset), are more heavily weighted. Credit cards are a type of revolving account.

Since FICO views borrowers who habitually max out credit cards -- or who get very close to their credit limits -- as people who cannot handle debt responsibly, a borrower should maintain low credit card balances. Experts recommend that the amount owed should not exceed 30 percent of the individual's credit limits. That 30 percent rule of thumb applies to each individual credit card as well as the overall level of debt.

The final components of a FICO credit score get less weight in the score's calculation. "The remaining one-third of your score is determined by how long you have managed credit, to what degree you have pursued new credit recently and the variety of credit types you have successfully handled," Watts says.

3. Length of Credit History -- 15%

Based on the length of time each account has been open and the length of time since the account's most recent action.

As a result, it is impossible for a person who is new to credit to have a perfect credit score. A longer credit history provides more information and offers a better picture of long-term financial behavior. Therefore, to improve their credit scores, individuals without a history should begin using credit, and those with credit should maintain longstanding accounts.

4 and 5. New Credit and Credit Mix -- Each Comprise 10%

Borrowers, even those new to credit, should avoid opening too many credit lines at the same time, since such behavior could suggest they are in financial trouble and need significant access to lots of credit. FICO suggests that borrowers only take on additional credit when they must have it or when it makes sense financially.

Credit mix, meanwhile, is somewhat of a vague category, but experts say that repaying a variety of debt indicates the borrower can handle all sorts of credit. According to FICO, historical data indicates that borrowers with a good mix of revolving credit and installment loans generally represent less risk for lenders.

Knowing the various weights given to components of a FICO credit score give borrowers a better idea where to focus their attention. "So to get a good score you mostly need a credit history with no reported late payments, as well as low reported balances currently on any credit cards," Watts says.