

CREDIT REPORTS

What's a credit report?

A credit report details money you have borrowed and payments you have or have not made. Your credit report can be used for loans, insurance premiums, and even employment and rental applications. You can request that a free copy is mailed every 12 months from each of the three credit bureaus: Equifax, Experian, and TransUnion. You are also now able to view your credit reports online weekly for Equifax, Experian, and TransUnion. Credit reports play a vital role in your financial life and it's best to check them on a regular basis.

What's on a credit report?

- Name, birthdate, address, and Social Security or ITIN number
- Types of credit you've had (e.g. credit cards, car loans, mortgage, student loans, etc.)
- Monthly payment history
- Any debt passed to collection agencies
- Current balances you owe
- Public records including bankruptcy, tax liens, or judgments

What should you look for?

- Incorrect or incomplete name, address, phone number, Social Security number or Individual Taxpayer Identification Number (ITIN), and birthdate
- Incorrect, missing, or outdated employment information
- Incorrect marital status (e.g. former spouse listed as current spouse)
- Lawsuits or bankruptcies you weren't involved in
- Tax liens you paid more than seven years ago
- Criminal arrest records more than seven years old
- Incorrect account histories (e.g. late payment notation when you've paid on time)
- Closed accounts incorrectly listed as open making it look as if you have too much open credit

How do I dispute incorrect information on my report?

Contact the creditor to verify their records to confirm the error. You may be able to resolve the issues at this point. If the issue cannot be resolved, contact the credit bureau who issued the report. You may do this by phone, online or by writing. If you suspect that an error in the report is a result of identity theft, please visit IdentityTheft.gov.

How can you get a free credit report?

- **Online:** www.annualcreditreport.com
- **Phone:** 877-322-8228
- **By mail:** Send completed request form to
Annual Credit Report Request Service,
P.O. Box 105281, Atlanta, GA 30348-5283

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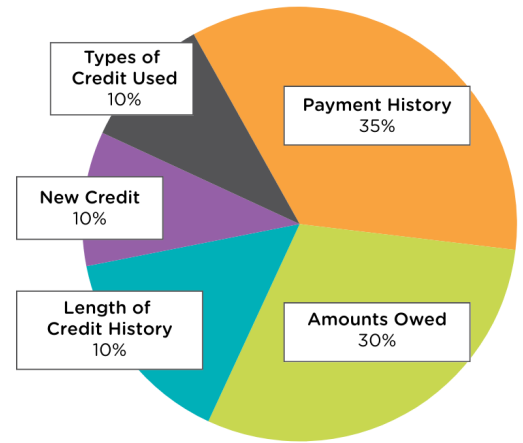
CREDIT SCORE

What's a credit score?

A credit score is like a grade that is given to your credit report. It's a quick way for lenders (i.e. banks and credit card companies) to see how responsible you have been with money you borrowed.

The most common credit score is called a FICO® score, ranging from 300–850. The higher the score the better chance to get lower interest rates for loans. A lower score may result in paying higher interest rates or getting denied when applying for loans.

There are five factors that affect your FICO® score (see chart). The two most important are if you've made on-time payments (35%) and how much you currently owe (30%).



Boost your credit score!

Raising your credit score takes time and it's important to stick with it.

Follow these tips:

- **Pay your bills on time.** Each on-time payment helps your score. If you miss payments, get current and stay current. The more you pay bills on time, the better.
- **Keep credit card balances low.** Keep balances below 30% of credit limits (i.e. if you have a \$1,000 credit limit, charge \$300 or less).
- **Pay what you owe.** The best way to pay debt is to pay the most you can on the debt with the highest interest rate and keep paying the minimum on other debts.
- **Establish positive credit.** Secured credit cards or a credit builder loan can help potentially boost your score.
- **Credit counseling.** A credit counselor could help you figure out the best steps to take with lots of credit card debt, including helping to set up a debt management plan.

*Loan income from another person, bank account balances, marital status, and employment do not have any impact on your credit score.

Want to learn more?

The Consumer Financial Protection Bureau can help you navigate your credit report. Visit bit.ly/creditandscores for resources.

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