

## Credit reports and scores

### Do you...

Understand what makes up a credit score?

Know what's in your credit report?

Risks to consider in not knowing your credit score and what's in your credit report

Being denied for credit or employment due to errors on your report or a poor credit score

Higher interest rates on loans

### Credit reports

A credit report is a record of your credit activities. It lists your credit card accounts and loans you may have, the balances and how regularly you make your payments. Companies that want to do business with you, such as lenders, apartment managers, insurance agencies, and employers review your credit report and use the information to make decisions about whether they want to lend to you, rent an apartment to you, provide insurance to you and hire you.

#### MAJOR PARTS OF YOUR CREDIT REPORT

Your report has four major sections:

1. Personal information—this section contains your name, address, social security number, date of birth and employment information.
2. Accounts—this section lists companies you have credit accounts with, the type of account (bankcard, auto loan, mortgage, etc.), the date you opened the account, your credit limit, your account balance and your payment history.
3. Inquiries—this section lists everyone who has accessed your credit report within the last two years. Each time you've applied for a credit card or loan it shows up here. It also includes requests from those who have purchased your name and address for marketing purposes.
4. Negative items—this section lists public record information obtained from state and county courts and includes bankruptcies, foreclosures, suits,

wage garnishments, and liens and judgments. It also includes information on overdue debt from collection agencies.

#### HOW LONG INFORMATION STAYS ON YOUR CREDIT REPORT

Most information stays on your credit report for seven years. Some negative information, such as a bankruptcy, may stay on for ten years.

### Credit scores

Credit bureaus determine your credit score based on your credit accounts and payment history. A credit score is like a test score: the higher, the better. The more bad marks on a credit report, like late payments or large credit card balances, the more points taken off the credit score. This score, typically ranging from 350-850, is used by creditors to determine your credit worthiness and the probability that you'll pay back a loan.

#### WAYS TO IMPROVE YOUR CREDIT SCORE

- Pay bills on time: Get current and stay current
- Consider automated payments to save time paying bills
- Create a spending plan that realistically matches your income
- Keep balances low on revolving accounts such as credit cards
- Pay off debt instead of moving it around

Contact your creditors for help if you're having trouble—it may minimize damage.

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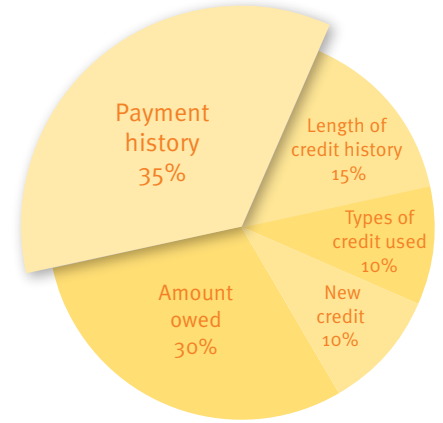
**WAYS TO MANAGE YOUR CREDIT SCORE**

- Continue to pay your bills on time for an excellent credit rating
- Access your free credit report annually at [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com) or 1-877-322-8228
- Check for errors and duplicate accounts
- Report unauthorized activity immediately
- Dispute errors at each credit reporting bureau

**The three credit bureaus**

- Equifax: 1-800-525-6285
- TransUnion: 1-800-680-7289
- Experian: 1-888-397-3742

**Factors that make up your credit score**



Source: [www.myfico.com](http://www.myfico.com)

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