



UNDERSTANDING YOUR CREDIT REPORT/SCORE

QUICK GUIDE

3riversfcu.org | 260.490.8328

WHAT INFO IS IN MY CREDIT REPORT?

- Personal Information: name, date of birth, Social Security number, address and employment information
- Trade Lines: types of credit accounts/loans you have, the date it opened, the beginning and current balance and your payment history
- Public Records: bankruptcies, foreclosures, judgments and accounts in collections
- Inquiries: list of companies (such as lenders, employers or collection agencies) who have pulled your credit within the last two years

HOW IS MY CREDIT (FICO) SCORE CALCULATED?

- Number of Trade Lines: How many credit accounts do you have?
- Length of Credit History: Factors in the oldest, newest and average age of all your credit accounts
- Payment History: On-time payments positively affect your score and delinquencies negatively affect your score
- Amount Owed: How much outstanding debt do you have?
- Types of Accounts: Credit cards, mortgages, student loans or vehicle loans

THINGS THAT CAN HURT A CREDIT SCORE*

Bankruptcy: 250 points lost

Foreclosure: 150 points lost

Repossessions and Judgments: 100 points lost

Garnishments and Tax Liens: 75-100 points lost

Deeds in lieu/Short Sales: 80 points lost

Collections: 75-100 points lost

30-Day Delinquencies: 60 points lost

Credit scores normally range from 300 to 850. Therefore, any one of the above items can have an immediate negative impact on your score.

3 TYPES OF CREDIT LINES

REVOLVING — Credit accounts that are approved up to a set amount (credit limit), have no final payment date and can be paid back in partial or full monthly payments. Examples are credit cards and lines of credit.

INSTALLMENT — Credit accounts that are approved for a fixed amount and term and are paid back in set monthly installments. Examples are vehicle loans and student loans.

REAL ESTATE — Real estate loans are another type of installment loan, but they are often the most important trade line on a credit report. Examples are mortgages and home equity loans.

TERMS TO REMEMBER:

FICO SCORE: The score used by most lenders to determine your credit rating (300-850)

APR (Annual Percentage Rate): The cost of credit on a yearly basis, expressed as a percentage rather than a dollar amount.

BANKRUPTCY: A legal proceeding that can release a person from repaying debts.

COLLATERAL: Property you promise to give to the lender if you do not pay back a loan.

SECURED LOAN: A loan backed by collateral.

UNSECURED LOAN: A loan that is not backed by any sort of collateral but only by the customer's promise to pay.

VARIABLE INTEREST RATE: When a loan's interest rate may change during the term of the loan, as written into the loan agreement.

FIXED INTEREST RATE: An interest rate on a liability, such as a loan or mortgage, that remains fixed for either part of or the entire term of the loan.

* Point values for credit events are approximate and will vary depending on current credit score at the time of the event.