

Quick Reference Series

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Understanding Credit Reports

Key Terms

What is credit?

Borrowing money for goods or services

What is credit history?

A record of your use of credit and repayment

What is a credit score?

A numerical summary of your credit history that indicates your credit worthiness (likelihood of repaying a loan as agreed)

What is a “good” credit score?

Credit scores range from 300 – 850. This number changes over time. New and paid off loans, late payments, amount and type of credit used are just a few factors that can change your score.

Many variables are used to calculate scores. Higher scores are more favorable.

TIP: Focus on positive financial habits for achieving a favorable credit rating. For example, pay your bills on time.

Why check your credit report?

- Find and report errors
- Find clues to detect identity theft
- Maintain awareness of credit usage
- Be an informed consumer
- Know your credit rating

What determines your credit score?

Credit Reporting Agency

The credit bureaus create reports based on the information received from lenders that do business with you.

Your Behavior

Lenders use your credit score to predict your credit worthiness. Pay your bills on time, limit your use of available credit, and apply only for the credit you need.

What information is on a credit report?

Public Records (Financial Obligations)

Bankruptcies
Foreclosures
Judgments

Consumer (Personal Information)

Name, Address, Phone,
Social Security #,
Employment History
Date of Birth

Inquiries (Requests for New Credit)

Lenders
Utilities
Landlords
Insurance
Companies

Accounts

(Past and Present Loans)

Lender Name
High and Low Amounts
Minimum Payment Required
Repayment History

AnnualCreditReport.com
Equifax.com (888-202-4025)
Transunion.com (855-681-3196)
and **Experian.com** (888-397-3742)
will provide you with a free copy of your credit report each year.

Broadview Financial Well-Being learning content and activities are aligned to the applicable K-12 educational learning standards: The New York State Learning Standards: Career Development and Occupational Studies; The National Standards in K-12 Personal Finance Education; and The Common Core Learning Standards; or the applicable adult learning standards: Institute for Financial Literacy: National Standards for Adult Financial Literacy Education.

Broadview Financial Well-Being's mission is to guide and encourage individuals to focus on achieving economic stability — using innovative tools, making informed decisions, and encouraging positive habits.