

Credit Report & Credit Score

Your **credit report** is a record of your credit history. It includes information about whether you pay your bills on time and how much you owe to creditors.

Credit reports typically include:

- Personal Information
 - Your name, current and previous addresses, phone numbers, social security number, date of birth, and current and previous employers.
- Public Records
 - Bankruptcies, tax liens, monetary judgments, debts in collection and child support.
- Credit Information
 - Details about open and closed accounts such as opening date, credit limit or loan amount, balance due, monthly payments and payment history including how many late payments in each account.
- Inquiries
 - Names of those who obtain information from the credit report over the past two years, including consumers who request a copy of their own report directly from the credit reporting agencies.

Your **credit score** (or FICO) is a number that reflects or summarizes the information in your credit report. Your credit score is important to your overall financial picture. It tells lenders whether you're likely to repay your debts based on how you've managed your finances in the past. What is considered a "good" score can vary by lender.

Scores range from a low of 300 to a high of 850. Generally, the higher your score, the more likely you are to be approved for a loan or to be offered better credit terms.

There are three credit reporting agencies: Experian, Equifax and Trans Union. These companies provide credit scores to banks, lenders and others. Each company can produce a slightly different credit score from the same credit history.

The financial factors that impact your credit score most.

- Payment history – Do you pay your bills on time?
- Current Debt – Can you take on more obligations?
- Collections – Do you have any accounts in collections?
- Public Records – Have you ever had any bankruptcies, repossessions or liens?
- Types of Credit – What kind of accounts have you managed? (Credit card, auto loan, etc.)
- Credit History – How long is your credit history?
- Recent Activity – How many credit inquiries have you had?
- Credit score – Are you a good candidate for credit?

One Way to Establish Credit.

To establish credit, you will need to prove that you can make regular payments. Start by making purchases with a credit card. But rather than paying the entire balance each month, make monthly payments on time. Carrying a revolving balance is actually good for your credit score initially.

Five Ways to Maintain Good Credit.

1. **Pay all bills on time every time.** Late payments, repossessions, collections and bankruptcies hurt your credit score the most.
2. **Check your credit score regularly.** Report inaccuracies to the credit reporting agencies immediately.
3. **Manage your debts.** Review your credit card statement and stop using your credit card if you are approaching your credit limit. Don't spend what you don't have.
4. **Establish a credit history.** Having a long history of paying bills on time is important. To show that you can use credit responsibly, make monthly payments on time and pay more than the minimum amount due.
5. **Avoid too many inquiries.** Every time you apply for credit, lenders look at your credit report. Too many inquiries in a short time may indicate you're taking on too much debt.

Your rights.

You have the right to get a free copy of your credit report once each year. Visit www.annualcreditreport.com.

You have the right to dispute any inaccurate information in your credit report. If you find mistakes on your credit report, contact the company that issued the account in question, or contact the credit reporting agency (Experian, Equifax and TransUnion).

No one can legally change any accurate information on your credit report. Be wary of companies trying to sell you credit reports or fix your credit for a fee.

For more information including your rights under Federal law, visit the Consumer Financial Protection website at www.consumerfinance.gov/learnmore. (Available in English, Spanish and seven other languages.)