

# CREDIT

## WHAT IS CREDIT?

- CREDIT IS THE ABILITY TO BORROW MONEY UNDER THE AGREEMENT THAT YOU'LL REPAY THE DEBT LATER.

## WHAT COUNTS AS CREDIT?

### INSTALLMENT CREDIT

- When you borrow a lump sum of money at once that you'll repay over time
  - Car Loans
  - Student Loans
  - Mortgage

### REVOLVING CREDIT

- Allows you to borrow money, at your convivence, up to a set limit
- You only have to pay the minimum balance, if there is one, the rest can rollover to the next billing period
  - Credit Cards
  - Personal Line of Credit

## WHAT BUILDS CREDIT?

### TIPS

- It takes time, consistency, and budgeting to build up your credit.
- To build credit, you must have credit, so pull out a loan or apply for a credit card
- Pay the interest on your student loans while in school
- Make on-time payments for the full balance
  - Budget for what you can afford to pay off each month
- Don't max out your credit cards
  - Your utilization rate is a measure of how much of credit limit you're currently using
    - It is recommended to keep your utilization rate below 30%. The lower the better
- Don't apply for credit too often
  - Too many new applications can signal risk to lenders and lead to a temporary dip in your scores.

## WHAT IS A CREDIT REPORT

### YOUR FINANCIAL TRANSCRIPT

- A statement that has information about your credit activity and current credit situation such as loan paying history and the status of your credit accounts.

### INCLUDES

- Personal Information
  - Name, addresses, date of birth, social security number, and phone numbers
- Credit Accounts
  - All current debts, credit limit, payment history, length of debts, and name of creditor
- Public Records
  - Criminal records, background history, lawsuit claims, and bankruptcies
- Credit Inquiries
  - Any company who has viewed your credit report



# CREDIT

## SCAN ME!

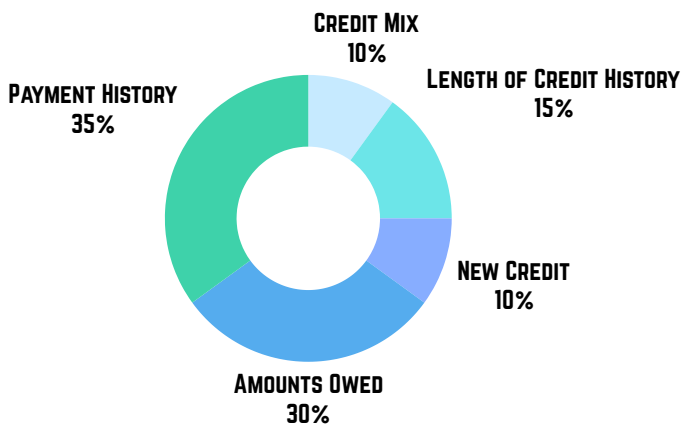
Book an credit appointment today to learn more!



## CREDIT SCORE RANGES

- A PREDICTION OF YOUR CREDIT BEHAVIOR, SUCH AS HOW LIKELY YOU ARE TO PAY A LOAN BACK ON TIME, BASED ON INFORMATION FROM YOUR CREDIT REPORTS.

## FICOSCORE MAKEUP

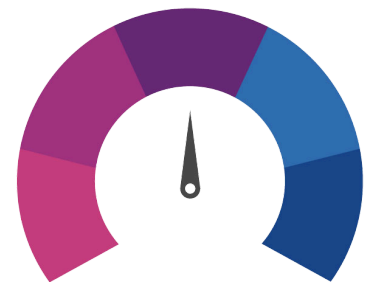


## FICO Score



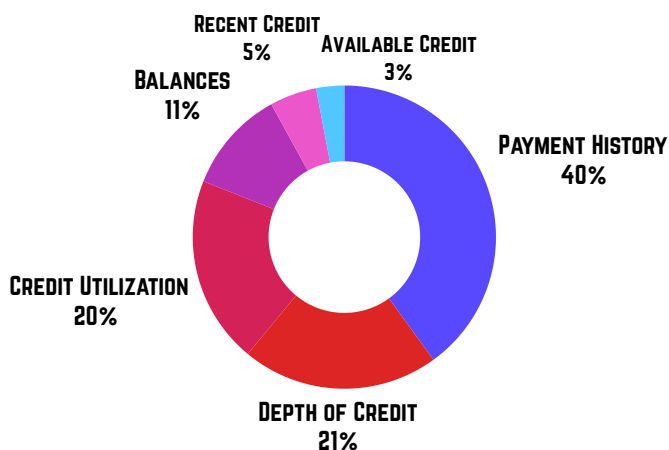
- Very Poor: 300-579
- Fair: 580-669
- Good: 670-739
- Very Good: 740-799
- Exceptional: 800-850

## Vantage Score



- Very Poor: 300-499
- Poor: 500-600
- Fair: 601-660
- Good: 661-780
- Excellent: 781-850

## VANTAGESCORE MAKEUP



## OVERVIEW

- Companies use credit scores to make decisions on whether to offer you credit, insurance, or tenant screenings.
- Determines the interest rate and credit limit you receive.
- Lenders may see a slightly different credit score than you depending on their model, credit reporting agency, and timing since credit scores update randomly
- You can check your credit score without any impact to it
  - Many banks, creditors, and third parties offer these services for free

## 3 MAJOR CREDIT REPORTING BUREAUS

- BY FEDERAL LAW YOU CAN GET AT LEAST ONE FREE ANNUAL CREDIT REPORT FROM EACH BUREAU THROUGH [ANNUALCREDITREPORT.COM](http://ANNUALCREDITREPORT.COM)

