

UNDERSTAND YOUR CREDIT REPORT

- **Credit Score.** A FICO (Fair Isaac Corporation) score is the best-known credit score; however, there are also three major credit bureaus including Equifax, TransUnion, and Experian that calculate and report credit scores. Though each company calculates the score differently, on average the range of scores is as follows:
Excellent = 720 and up (900 is the highest score on average)
Good Credit = 660 to 719
Fair Credit = 620 to 659
Poor/Bad Credit = 619 and below (300 is the lowest score on average)
- **Credit Report.** A credit report is a record of your credit payment history. It includes identifying information (i.e. name, date of birth, and address), account history (i.e. account issuer, date opened, credit limit, balance, and payment history), public records (i.e. bankruptcy records, tax liens, and overdue child support payments in some states), and inquiries, which is a record of businesses and lenders that have reviewed your credit history within the past two years. Your credit score is not included in your credit report. It is purchased for an additional cost.
- **Obtain Your Credit Report.** Through the Fair and Accurate Credit Transaction Act, you can pull your credit report for free once a year by visiting the website of one of the three major credit bureaus (Equifax, TransUnion, and Experian). Essentially, you can pull your report every four months at no cost. If you exceed this frequency, you can purchase your credit report at any time by visiting one of the three major credit bureaus (Equifax, TransUnion, and Experian).

THE IMPORTANCE OF CREDIT

- **Your Credit is Reviewed.** Many lenders use your credit score and report as a resource when deciding to lend you money. In many cases, it is also pulled by businesses when making decisions about offering you employment, accepting your rental agreement, deciding insurance rates, and much more
- **Establish Credit.** Since the length of your credit history is considered when calculating your credit score, it is important to establish credit as soon as possible. An easy way to start establishing credit is by applying for a credit card. Managing the account by not allowing the balance to exceed 30% of the available limit on the account
- **Take advantage of other resources.** Consider visiting the three major credit bureaus' websites ([Equifax](#), [TransUnion](#), and [Experian](#)) and visiting www.myFICO.com. In addition, many financial resources such as blogs and articles are available online. Please take caution when reading to make sure the information presented is from a reliable and accurate source