



WHY YOUR

CREDIT IS IMPORTANT

Demystifying your
credit score





We're a financial institution just like a bank, except not exactly. Banks have *customers*, but because we're a not-for-profit, member-owned credit union, we have *members*.

We always put our members first.

GREENPATH SERVICES



FINANCIAL
ASSESSMENTS



HOUSING
COUNSELING



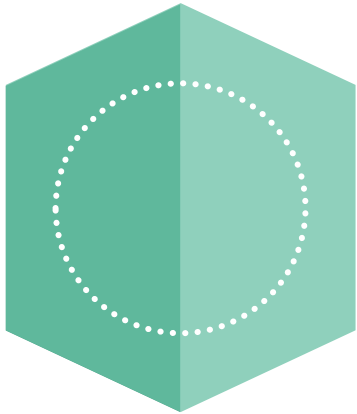
CREDIT REPORT
REVIEW



DEBT
MANAGEMENT

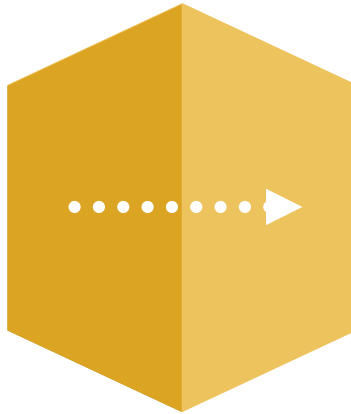
1

Why is credit important?



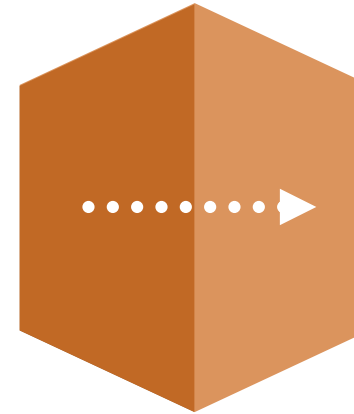
3

How to obtain a copy of your credit report.



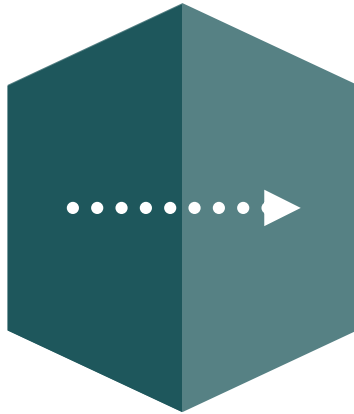
5

How to build / rebuild credit.



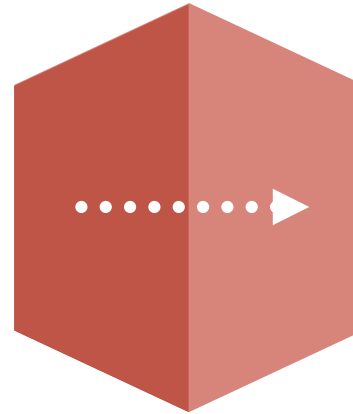
2

What's on your credit report?



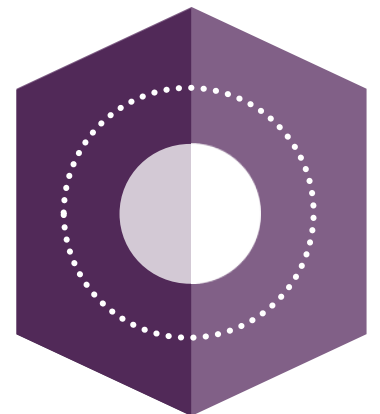
4

Credit scores & how they are calculated.



6

Common credit myths.

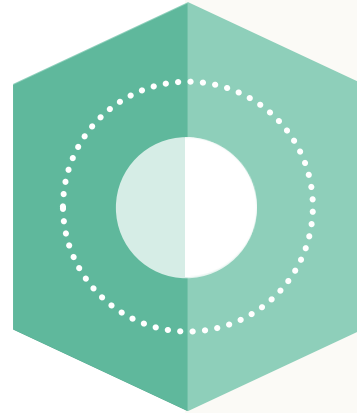




Why is
credit
important?

GOOD CREDIT

Land Your
Dream Job





GOOD CREDIT

Getting a
Loan When
You Need It



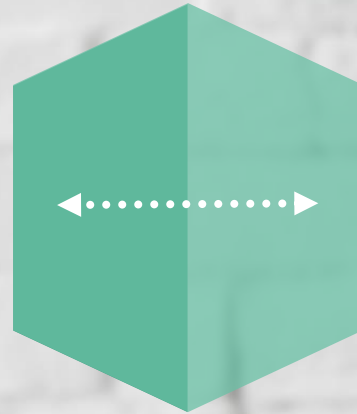
GOOD CREDIT

Renting or Buying Your Own Place



\$250,000 30-Year Fixed Rate Mortgage

Angela	
Credit Score	660
Interest Rate	5.25%
Monthly Payment	\$1,381
Total Paid over 30 Years	\$496,984



Diego	
Credit Score	750
Interest Rate	4.63%
Monthly Payment	\$1,285
Total Paid over 30 Years	\$462,726

Good Credit Saved Angela \$34,258!

1

Why is credit important?

3

How to obtain a copy of your credit report.

5

How to build / rebuild credit.

2

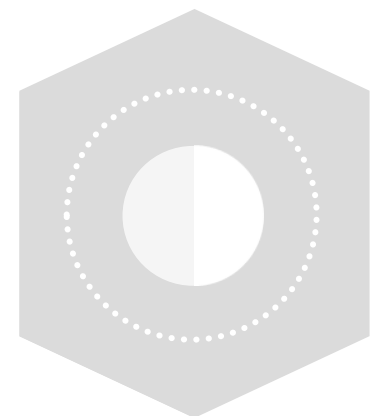
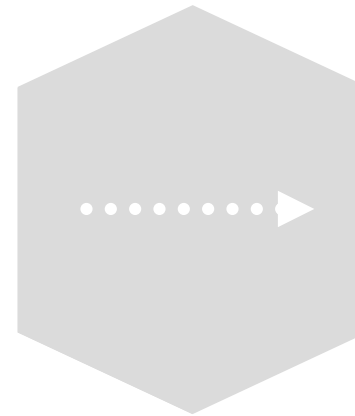
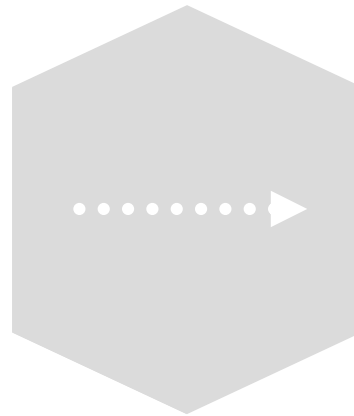
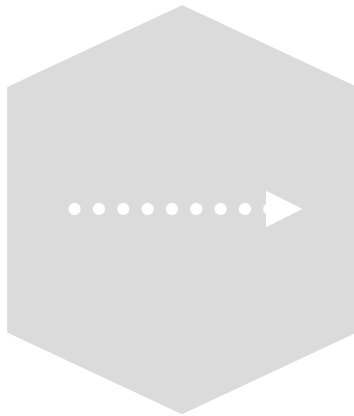
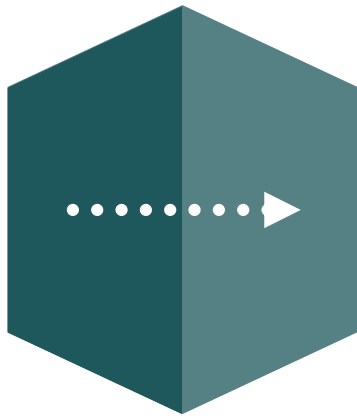
What's on your credit report?

4

Credit scores & how they are calculated.

6

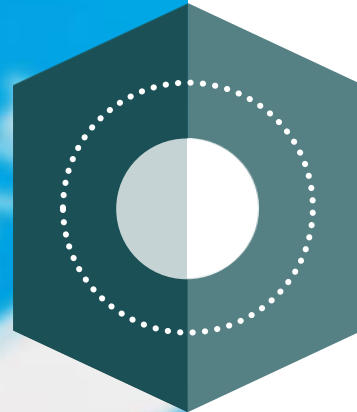
Common credit myths.



CREDIT BUREAUS



WHAT'S ON YOUR CREDIT REPORT?



IDENTIFYING
INFORMATION

OPEN
ACCOUNTS

CLOSED
ACCOUNTS

COLLECTION
RECORDS

INQUIRIES

CONSUMER
STATEMENT

1

Why is credit important?

3

How to obtain a copy of your credit report.

5

How to build / rebuild credit.

2

What's on your credit report?

4

Credit scores & how they are calculated.

6

Common credit myths.



CREDIT REPORT

annualcreditreport.com

Central Source LLC

P.O. Box 105283

Atlanta, GA 30348-5283

Phone: 877-322-8228

You can receive your credit report
ONLINE or by **MAIL**



CREDIT REPORT

Only the **REPORTS** are free.

Obtaining scores will cost about \$6-\$8 per credit bureau.

A screenshot of the AnnualCreditReport.com website. The header includes navigation links: "All about credit reports", "Request yours now!", "What to look for", "Protect your identity", and "Free". The main banner features a woman smiling and the text "Don't be fooled by look-alikes." Below this, it states "Scores of sites promise credit reports for free. AnnualCreditReport.com is the only official site explicitly directed by Federal law to provide them." A blue button says "About AnnualCreditReport.com". A secondary navigation bar includes "SPOT IDENTITY THEFT", "GOOD CREDIT", "DON'T BE FOOLED", and "MORE THAN A S". The main content area has the heading "credit reports matter." and explains that credit reports affect mortgage rates, credit approvals, apartment requests, or even job applications. It also states that reviewing credit reports helps catch signs of identity theft early. A red button at the bottom says "Request your free credit reports".

All about credit reports Request yours now! What to look for Protect your identity Free

Don't be fooled by look-alikes.

Scores of sites promise credit reports for free. AnnualCreditReport.com is the only official site explicitly directed by Federal law to provide them.

About AnnualCreditReport.com

SPOT IDENTITY THEFT GOOD CREDIT DON'T BE FOOLED MORE THAN A S

credit reports matter.

credit reports may affect your mortgage rates, credit approvals, apartment requests, or even your job application.

Reviewing credit reports helps you catch signs of identity theft early.

Request your free credit reports

FREE Credit Reports. Federal law allows you to:

- Get a free copy of your credit report every 12 months from each credit reporting company.
- Ensure that the information on all of your credit reports is correct and up to date.



2 YEARS

- Inquiries



7 YEARS

- Late Payments
- Collection accounts
- Foreclosures
- Chapter 13 Bankruptcy



10 YEARS

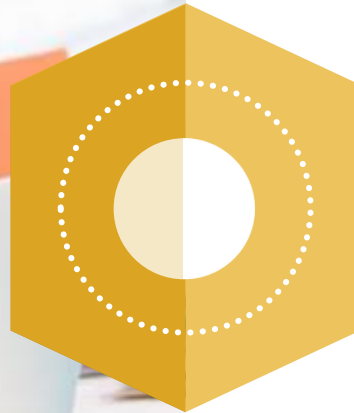
- Chapter 7 Bankruptcy

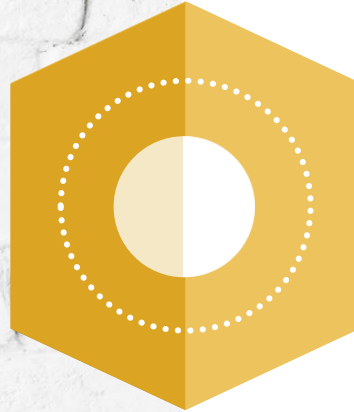


GOOD NEWS!

Positive credit activity
stays on your report
indefinitely!

Example: on-time payments for
credit cards & mortgages





Send copies, keep records,
document the claim.

File a dispute online, phone
or by mail.

Didn't like the outcome?
File a complaint with
**Consumer Financial Protection
Bureau (CFPB)**
855-411-2372

1

Why is credit important?

3

How to obtain a copy of your credit report.

5

How to build / rebuild credit.

2

What's on your credit report?

4

Credit scores & how they are calculated.

6

Common credit myths.

CREDIT SCORES

- The 3 digit number reflects your **credit risk** and likelihood of **repayment**.
- FICO is the most widely used scoring model.

LOWER RISK

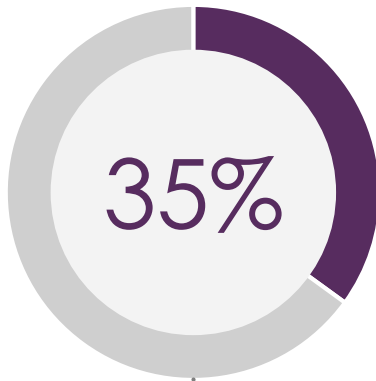
HIGHER RISK



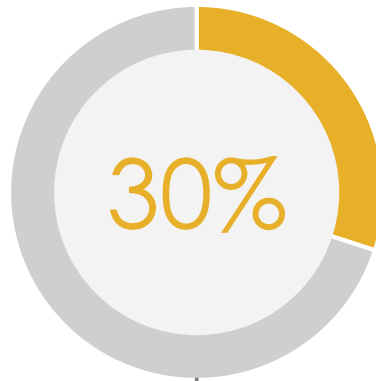


What are the factors
that impact a
credit score?

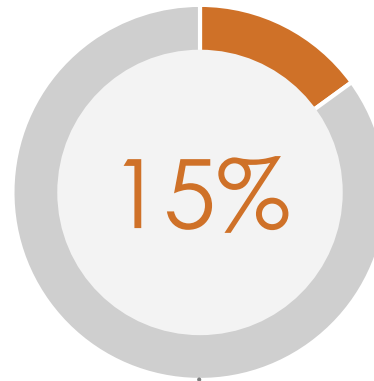
CREDIT SCORE BREAKDOWN



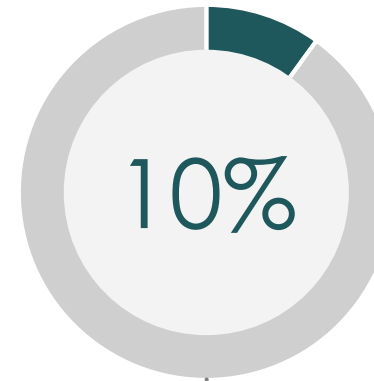
Payment
History



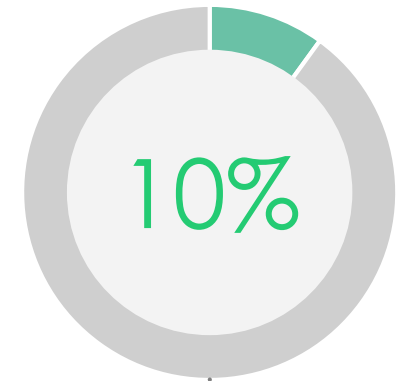
Amounts Owed /
Use of
Available Credit



Length of
Credit History

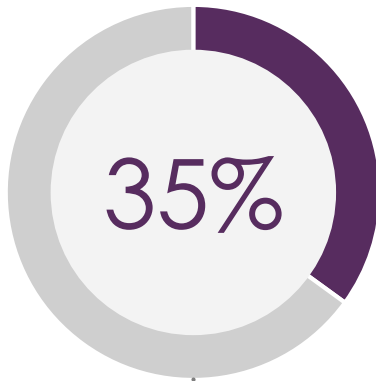


Types of
Credit Used/
Credit Mix

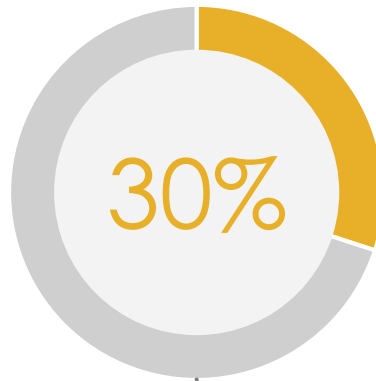


New Credit

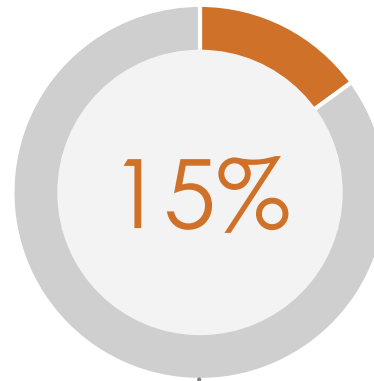
CREDIT SCORE BREAKDOWN



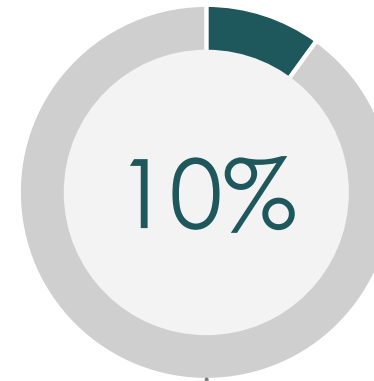
Payment
History



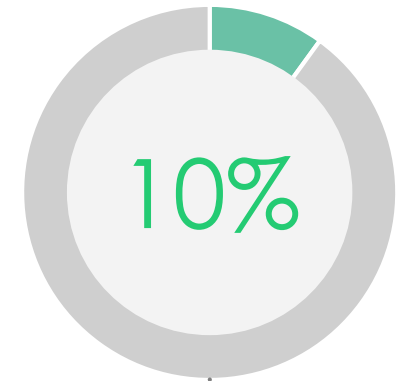
Amounts Owed /
Use of
Available Credit



Length of
Credit History



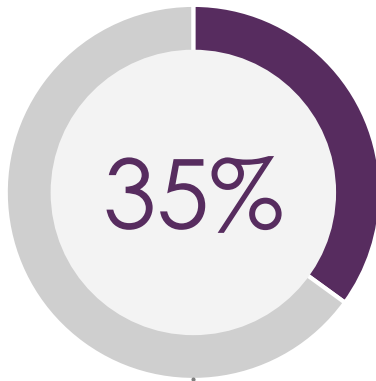
Types of
Credit Used/
Credit Mix



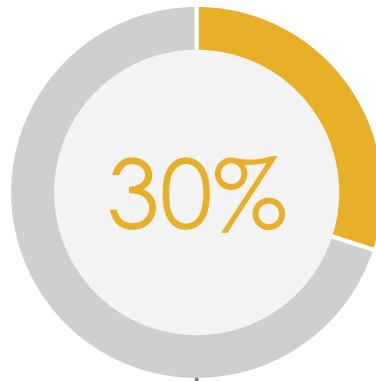
New Credit

The largest impact on your credit score is your payment history, or how well you pay back your debts over time. This includes delinquencies and public record.

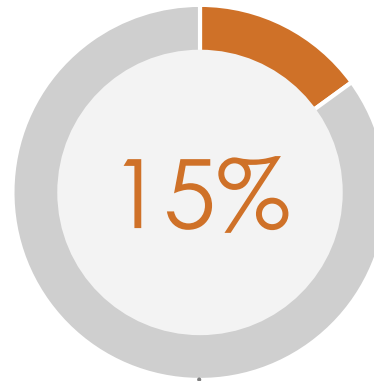
CREDIT SCORE BREAKDOWN



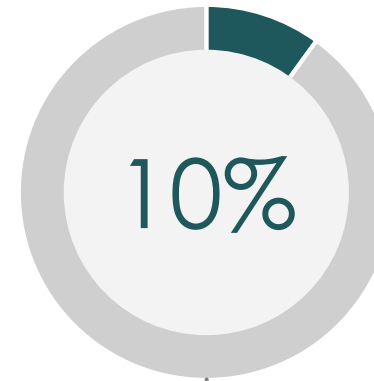
Payment
History



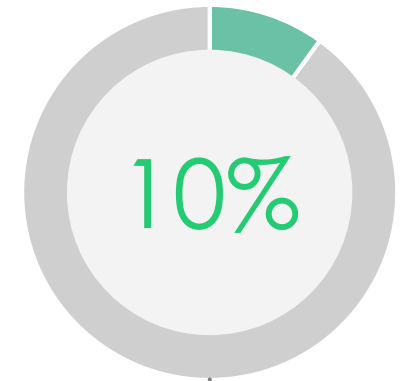
Amounts Owed /
Use of
Available Credit



Length of
Credit History



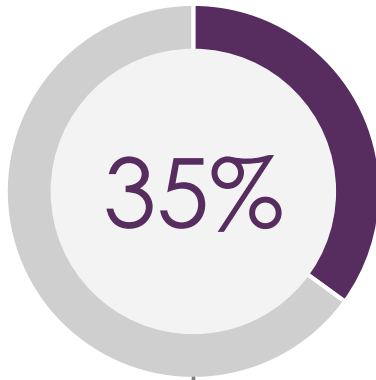
Types of
Credit Used/
Credit Mix



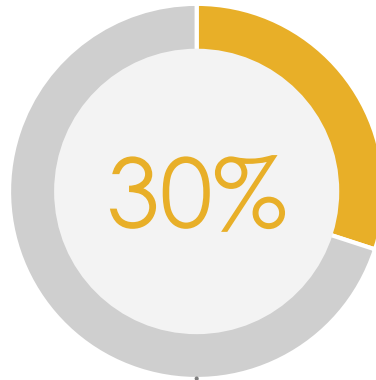
New Credit

This is the amount of credit you are using versus what is available to you. Rule of thumb is to target using only 30% of available credit.

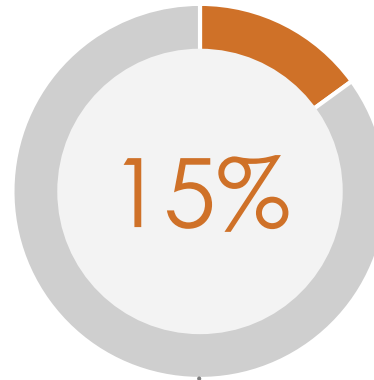
CREDIT SCORE BREAKDOWN



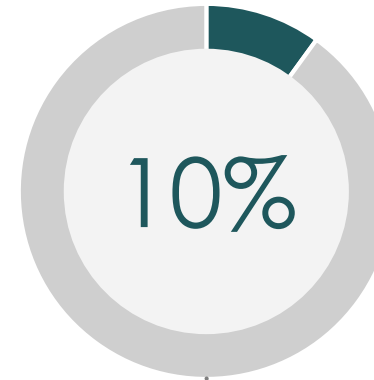
Payment
History



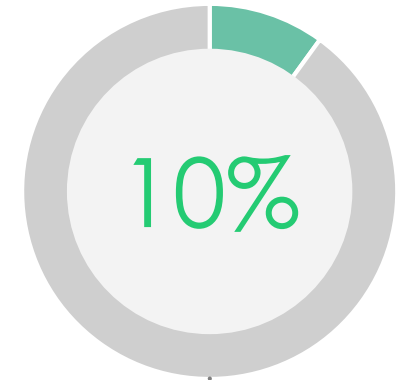
Amounts Owed /
Use of
Available Credit



Length of
Credit History



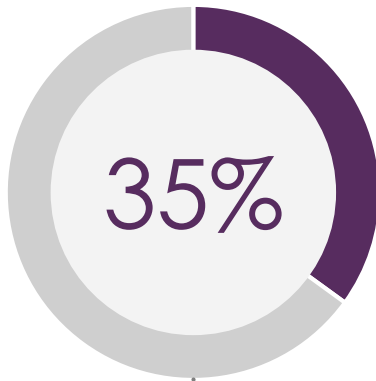
Types of
Credit Used/
Credit Mix



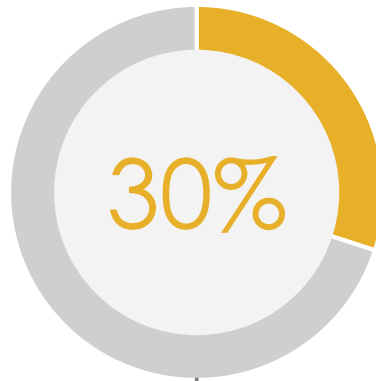
New Credit

The longer you have established a good credit history, the more trust you have built up.

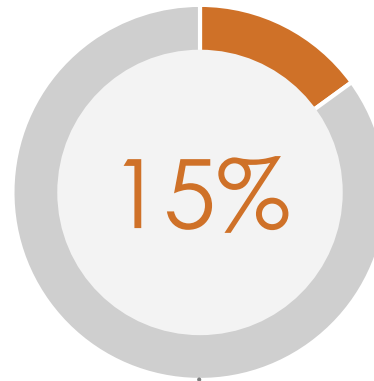
CREDIT SCORE BREAKDOWN



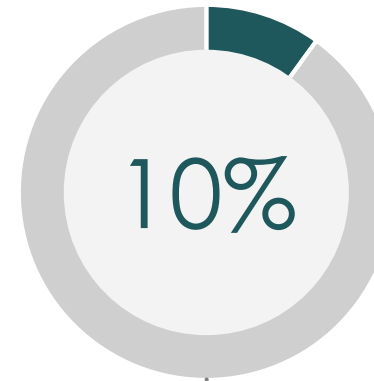
Payment
History



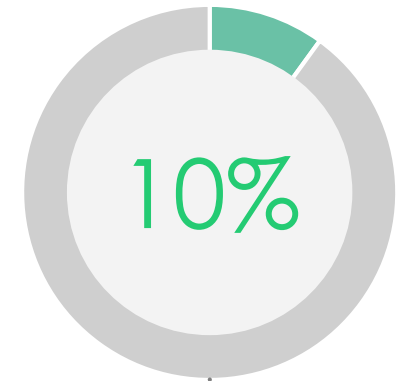
Amounts Owed /
Use of
Available Credit



Length of
Credit History



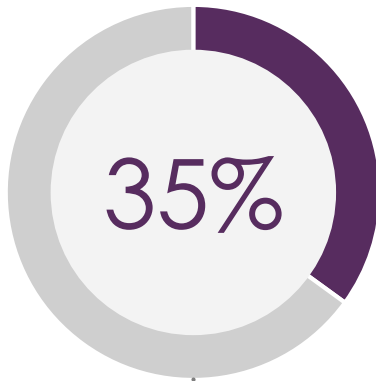
Types of
Credit Used/
Credit Mix



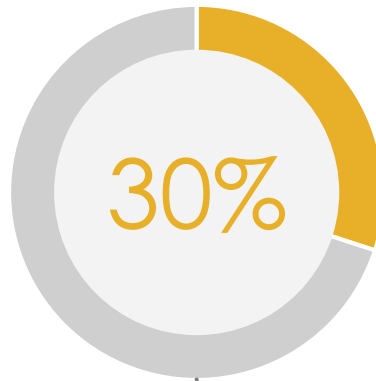
New Credit

Your score is impacted based on the types of credit you have, such as revolving lines of credit or fixed installment loans.

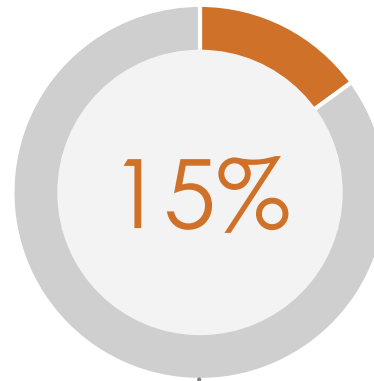
CREDIT SCORE BREAKDOWN



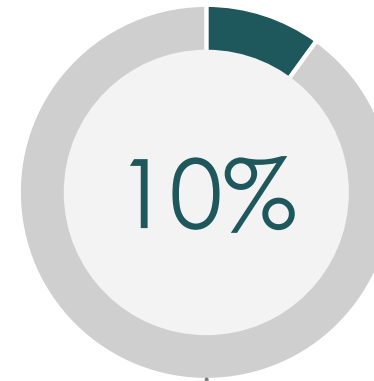
Payment
History



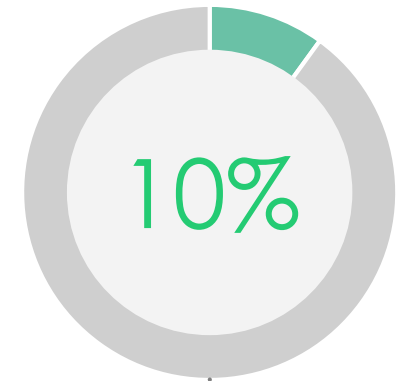
Amounts Owed /
Use of
Available Credit



Length of
Credit History



Types of
Credit Used/
Credit Mix



New Credit

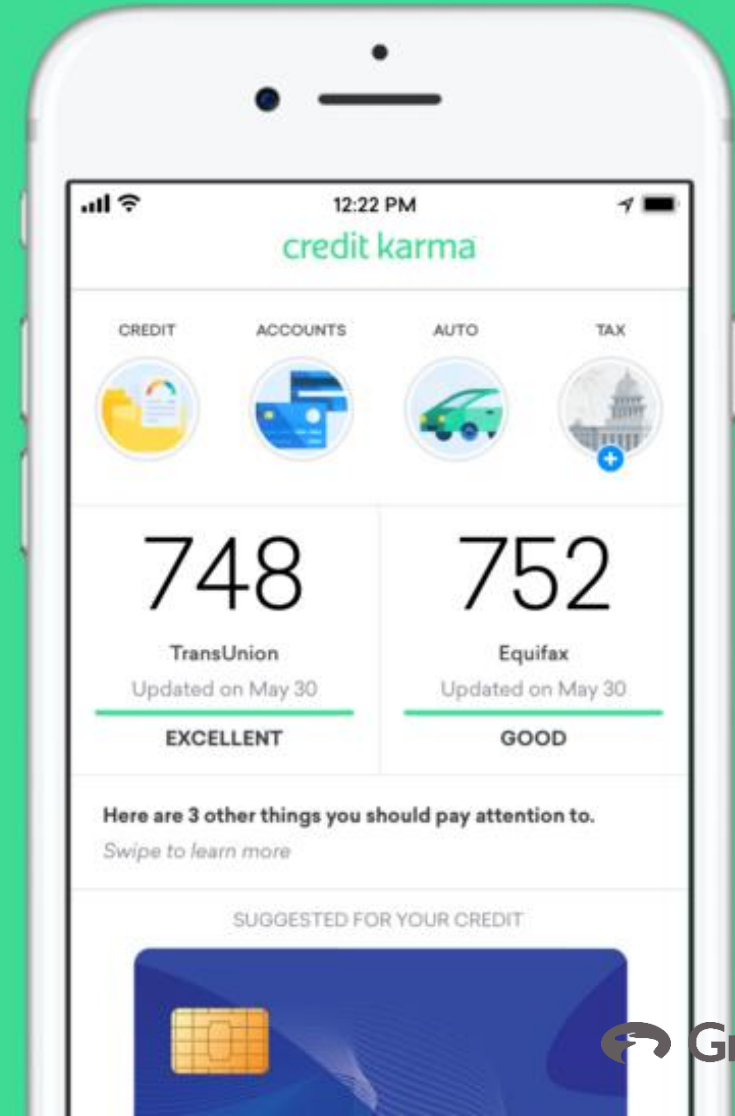
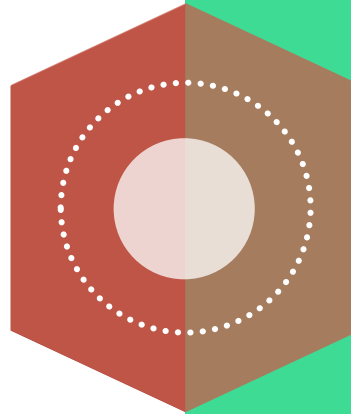
If someone is applying for too much new credit that can indicate that they don't have a plan for how to pay their debt back and they are living off their credit. This can be a red flag.

Check your credit scores
anytime, anywhere

CREDIT KARMA

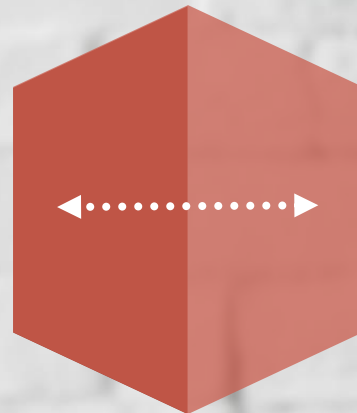
creditkarma.com

- Provides a variety of scores, with information from TransUnion & Equifax
- Credit score is updated weekly
- Track credit scores several months before a big ticket item, like a mortgage.



Who has the better credit score?

Angela	
Balance	\$800
Limit	\$1000
Pays	Entire Balance



Diego	
Balance	\$5,000
Limit	\$10,000
Pays	Minimum Payment

Angela has the better credit score!

1

Why is credit important?

3

How to obtain a copy of your credit report.

5

How to build / rebuild credit.

2

What's on your credit report?

4

Credit scores & how they are calculated.

6

Common credit myths.



BUILDING CREDIT

Review your goals

Financial Stability





CREDIT CARDS



SECURED CREDIT CARDS



SECURED LOANS



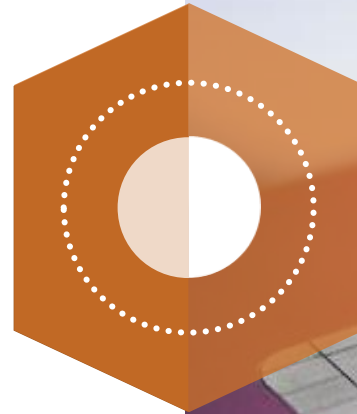
RETAIL/GAS CREDIT



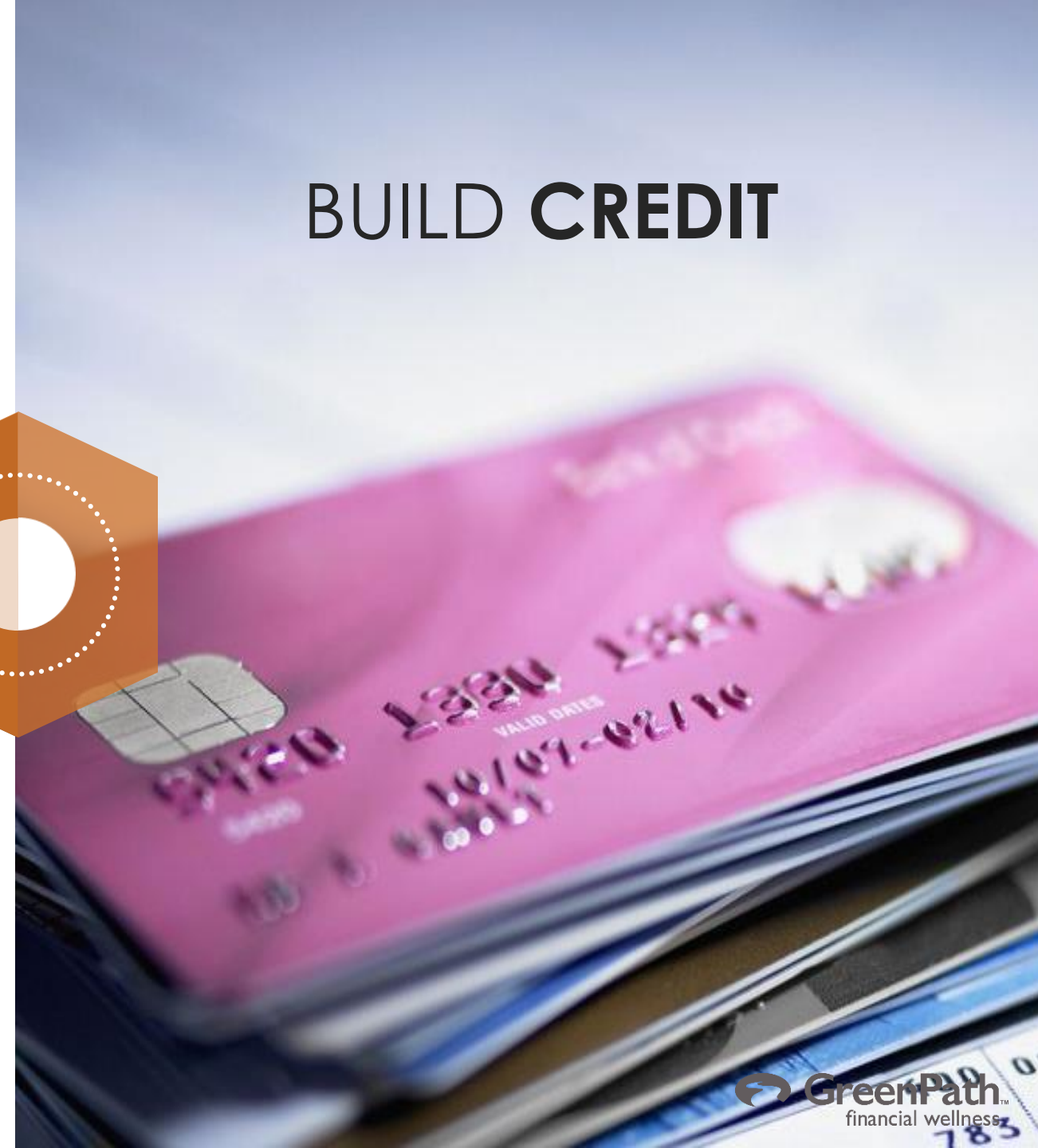
GET A CO-SIGNER



ADDED AS AN
AUTHORIZED USER



BUILD CREDIT





FOR USING
CREDIT WISELY

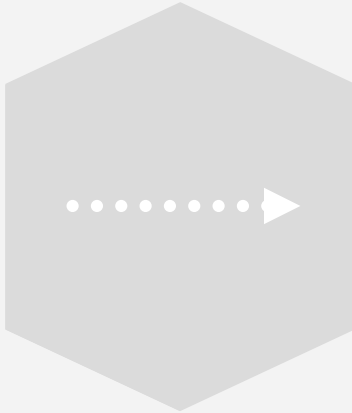
1

Why is credit important?



3

How to obtain a copy of your credit report.



5

How to build / rebuild credit.



2

What's on your credit report?



4

Credit scores & how they are calculated.



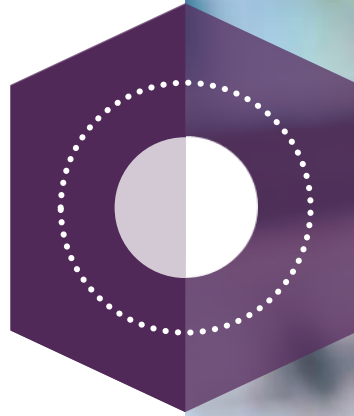
6

Common credit myths.



MYTH #1

“Closing a credit card will hurt my credit score.”





NEGATIVE IMPACT

SARAH

.....

- 3 maxed out credit cards
- Paid off the first card; decides to close it (to remove temptation.)
- 2 cards remain maxed out

LITTLE TO NO IMPACT

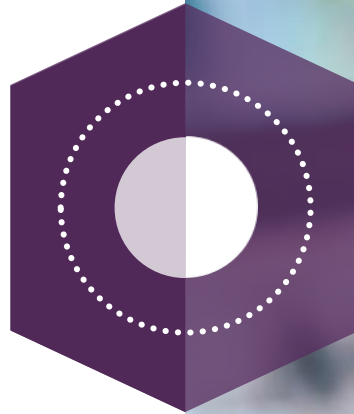
KATIE

.....

- 5 Open Accounts
- All balances are zero or close to zero
- Decides to close a newer account (to avoid the annual fee)

MYTH #2

“Checking my credit score will hurt my credit score”



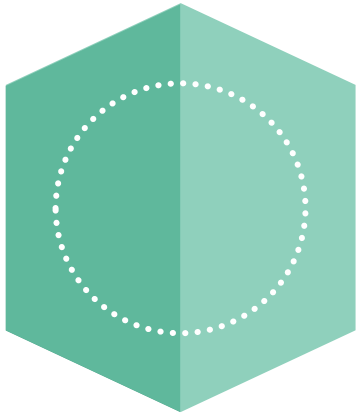


WILL NOT CHANGE YOUR SCORE

Applying too often can hurt credit.
Checking is considered a 'soft inquiry'.

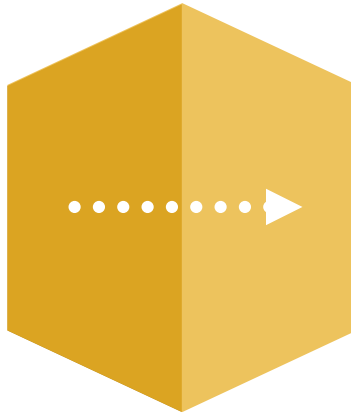
1

Why is credit important?



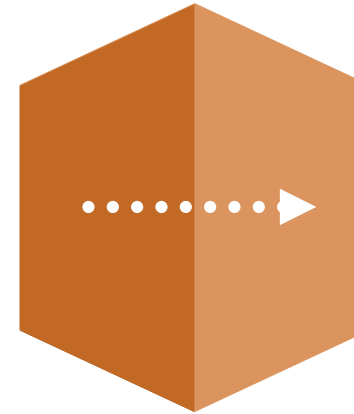
3

How to obtain a copy of your credit report.



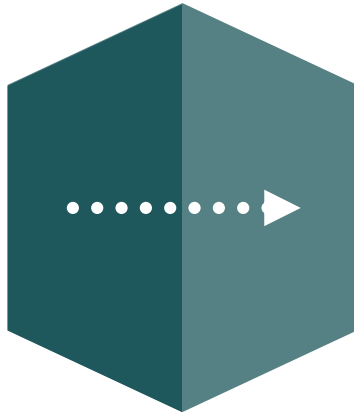
5

How to build / rebuild credit.



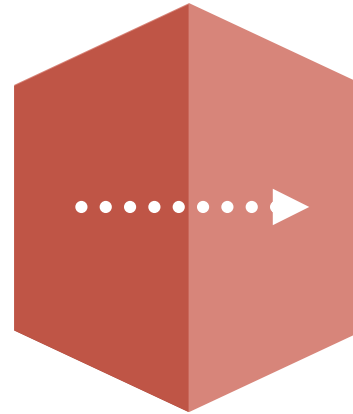
2

What's on your credit report?



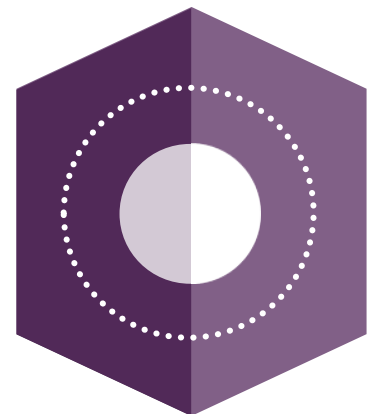
4

Credit scores & how they are calculated.



6

Common credit myths.



A large green hexagon with a 3D effect, split vertically into two shades of green. The word "CONSUMERS" is written in white, bold, sans-serif capital letters across the middle of the hexagon.

CONSUMERS

CREDIT UNION

is a nationwide not for profit credit union that provides products and services to help people along every step of their financial journey.



myconsumers.org
877-275-2228

Julie.selof@myconsumers.org

Jaime.Enriquez@myconsumers.org

Greenpath.com
800-550-1961