



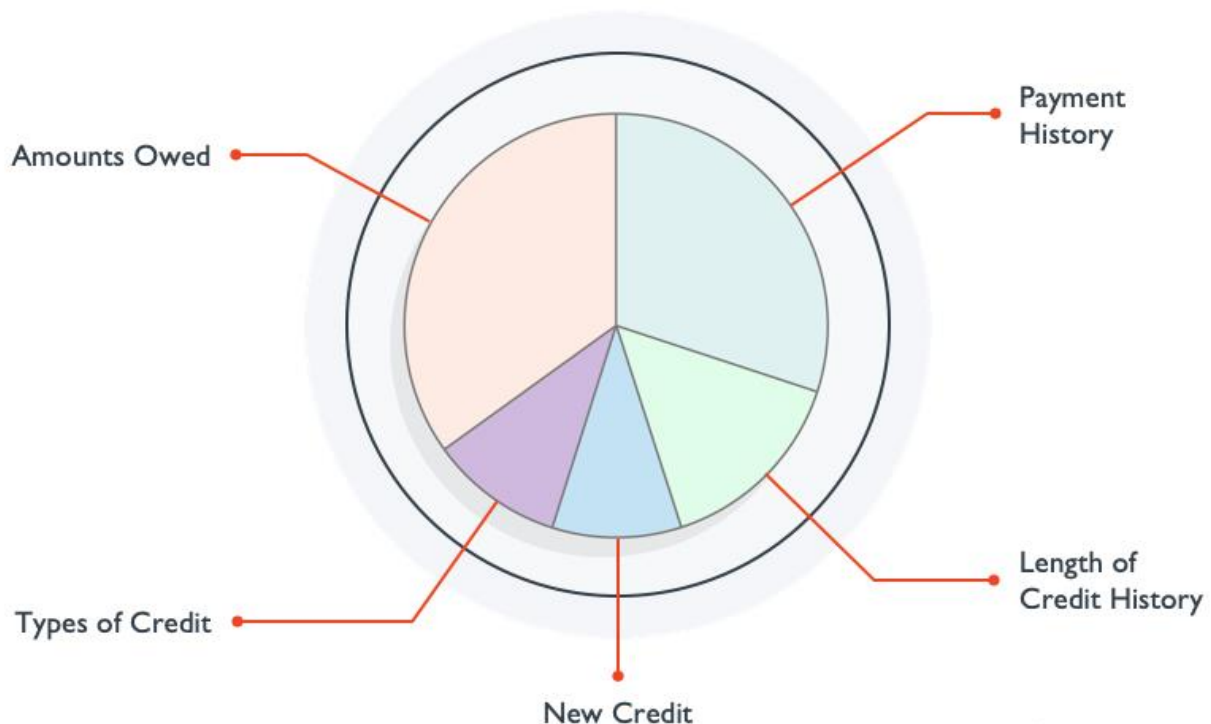
Credit Scores and Reports

PARTICIPANT'S GUIDE

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Calculating a Credit Score



Payment History: about 35 percent

- Do you pay your bills on time?
- Do you always pay at least the minimum amount due?

Even one late payment has a negative effect, so it's important that you always pay your bills on time.

Amounts Owed: about 30 percent

- How much do you owe?
- What percentage of your credit are you using?

People who use less of their available credit are considered a lower risk.

Length of Credit History: about 15 percent

- Have you been using credit for 10 weeks or 10 years?

Someone with a longer history of on-time payments is considered less of a risk.

New Credit: about 10 percent

- Have you applied for any new loans or lines of credit recently?

Opening several new accounts in a short period of time can represent greater risk to lenders, especially for borrowers who do not have a long credit history.

Types of Credit: about 10 percent

- Do you have a variety of credit types, such as credit cards, an auto loan, a mortgage, and student loans?

Having more credit types may increase your score.

Getting Your Free Credit Report

Get your free Equifax, Experian, or TransUnion credit reports by logging on to <https://www.annualcreditreport.com/index.action>.

Step 1: Log on to <https://www.annualcreditreport.com> and select “Request your free credit reports.”

Step 2: Fill out the form. You will need the following information:

- Your name, birthdate, and Social Security number;
- Your current address where you have lived for two or more years; and
- A previous address, if you have lived at your current address for less than two years.

Step 3: Select the credit reports you want. Remember to space out these requests so that you can get one free report from a bureau every four months.

Step 4: Review and confirm that the information you have entered is correct.

You can also get your free Equifax, Experian, or TransUnion credit reports by calling 1-877-322-8228.

Getting Your Credit Score

You can get your credit score by requesting it from various companies, including the different credit bureaus. They all charge fees for this service.

Credit Repair Scams

Read the following scenario, and circle or underline the red flags.

After her house falls into foreclosure, Anna researches several credit repair agencies.

The first agency promises to remove bad credit information from Anna's report. All she has to do is pay an up-front fee. Anna is worried about her bad debts, but the company assures her that it can scrub all negative information from her report. The company also advises Anna not to contact the credit bureaus directly since doing so will negatively affect the repair agency's efforts.

How many red flags did you catch in the scenario?

Other Signs of Credit Repair Scams

- **Asking for a signature on blank paperwork.** If an agency asks you to sign blank paperwork so it can act on your behalf, it is a scam. Never sign paperwork, especially legal paperwork, without reading it thoroughly and without the help of a lawyer.
- **Credit profile number scams.** Promises of a new credit identity by issuing a credit profile number or a credit privacy number that is similar to a Social Security number are a scam.
- **Fake Social Security number scams.** If an agency encourages you to use a fake Social Security number or to apply for an Employer Identification Number (EIN) for tax purposes, it is a scam. EINs are typically used by businesses, not by individuals.

Credit Counseling Services

Look for services that are accredited by the following organizations:

- National Foundation for Credit Counseling: <https://www.nfcc.org>
- Financial Coaching Association of America: <https://fcaa.org>

My Debt Management Plan

Write down all your current debts on paper.

Already Do Start Now Do Later

Write down your monthly expenses.

Already Do Start Now Do Later

Make a monthly budget.

Already Do Start Now Do Later

If unable to afford minimum monthly payments, contact creditors about your debt and request a modified payment plan.

Already Do Start Now Do Later

Request and receive your free credit reports regularly.

Already Do Start Now Do Later

Dispute any errors in your credit reports.

Already Do Start Now Do Later

Pay off any accounts that are marked as “charge-off” or “in collections.”

Already Do Start Now Do Later

Concentrate on eliminating debt on one credit card while paying the minimum on others.
REMEMBER: DO NOT AVOID PAYING BILLS AND DO NOT MAKE LATE PAYMENTS.

Already Do Start Now Do Later

Resources

To Get Your Free Credit Report

- Annual Credit Report
<https://www.annualcreditreport.com>
1-877-322-8228

To Get Your Credit Score

- Consider the three major credit bureaus: TransUnion, Experian, and Equifax. They will charge fees for providing your score.

Credit Counseling Services

- National Foundation for Credit Counseling: <https://www.nfcc.org>
- Financial Coaching Association of America: <https://www.fcaa.org>

What To Do If You Suspect You're the Victim of Identity Theft

Contact [IdentifyTheft.gov](https://www.identitytheft.gov).

- <https://www.identitytheft.gov/>