

**DevNW**

DEVELOPING THRIVING COMMUNITIES

# Building Credit

YOUTH FINANCIAL FOUNDATIONS

Get Your Credit Report Activity	2	Improving Your Credit	7
Sam's Credit Report Example		Websites & Apps to Check your Credit	8
Credit Scores	5	Freezing Your Credit	9



# Get Your Credit Report Activity

Everyone grab a tablet and turn it on. The Pin Code for the Tablets is 1979.

Go to the browser and type in AnnualCreditReport.Com.

Answer these two questions:

1) What 3 Steps do you have to take to request an annual credit report?

1.

2.

3.

2) What are 2 things you can do to protect your

Identity?

1.

2.

# Get Your Credit Report Activity

## Reviewing Your Credit Report

The Consumer Finance Protection Bureau developed this checklist for reviewing your credit report(s):

Equifax	Experian	TransUnion	Checklist Item
			Is your name correct?
			Is your Social Security number correct?
			Is your current address correct? Is your current phone number correct?
			Are the previous addresses they have listed for you correct?
			Is your marital status listed correctly?
			Is your employment history accurate?
			Is everything listed in the personal information section correct?
			Is there anything listed in the public records information? Is it correct?
			Review each item under the credit account (trade account) section. Are the accounts on the list still open?
			Are all of the current balances correct?
			Are accounts where you are an authorized user or joint owner listed?
			Are zero balances recorded for debts paid in full? 204204
			Are you listed as a co-signer on a loan? Is this correct?
			Are accounts that you closed listed as "closed by the consumer?"
			Is negative information reported on each credit account correct? Look for late payments and missed payments?
			Are any accounts listed more than once? Check to make sure the same account is not listed multiple times in the collection section?
			Is old negative information still being reported? If yes, highlight the information that has exceeded the negative information reporting limit, which is usually seven years.
			Do you suspect that you have been the victim of identity theft after reviewing your credit reports?

Source: Your Money Your Goals, pages 217-218, Consumer Finance Protection Bureau

# Get Your Credit Report Activity

## Obtain Your Credit Report Every 12 Months

You're entitled by the Fair Credit Reporting Act to get a free credit report each year from the three credit bureaus through AnnualCreditReport.com, the only authorized website for free credit reports. You'll answer a couple question to verify your information and select from which bureaus you'd like to pull your credit report. To monitor your credit more regularly, opt to view a credit report from just one bureau every four months.

**AnnualCreditReport.com**  
The only source for your free credit reports. Authorized by Federal law.

The screenshot shows the website's navigation menu with 'Request yours now!' highlighted. Below is a '3 steps to your free credit reports' section with three numbered steps:

- 1 Fill out a form**  
Fill out one form to request one, two, or three reports
- 2 Pick the reports you want**  
Request your credit reports from Equifax, Experian or TransUnion.
- 3 Request and Review your reports online**  
Before you get your credit reports, you will answer a few more questions. These questions are meant to be hard. You may even need your records to answer them. They are used to ensure that nobody but you can get your credit information.  
If you can, print your credit reports so you can look at them later.

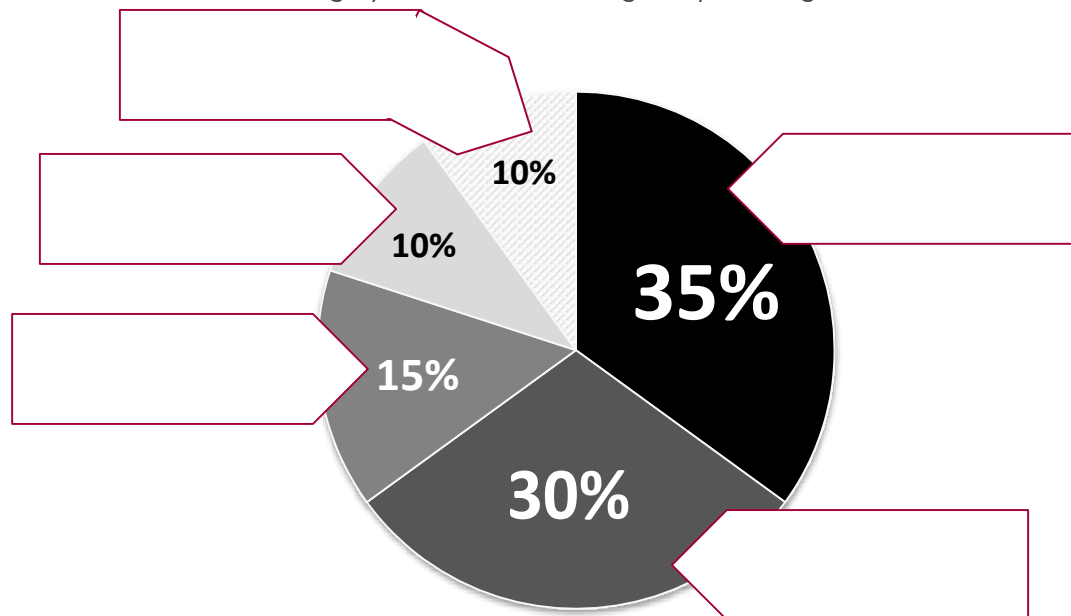
An arrow points from step 3 back to step 2 with the text: 'You repeat this step for each credit report'

You can also order by phone at 1-877-322-8228 or order by mail by contacting each of the bureaus directly:

<p style="text-align: center;"><b>EQUIFAX®</b></p> <p>P.O Box 740241 Atlanta, GA 30374 (877) 784-2528 www.equifax.com</p>	<p style="text-align: center;"> <b>Experian™</b></p> <p>(866) 200-6020 www.experian.com</p>	<p style="text-align: center;"> <b>TransUnion.</b></p> <p>P.O. Box 1000 Chester, PA 19022 (800) 916-8800 www.transunion.com</p>
---	--	--

# What's in your FICO® score?

FICO Scores are calculated from a lot of different credit data in your credit report. This data can be grouped into five categories: **Payment History, Amount Owed, Length of Credit History, Type of Credit Used and New Credit.** Match each category with its formula weighted percentage below:



**A FICO score takes into consideration all these categories of information, not just one or two.**

No one piece of information or factor alone will determine your score.

**The importance of any factor depends on the overall information in your credit report.**

For some people, a given factor may be more important than for someone else with a different credit history. What's important is the mix of information, which varies from person to person, and for any one person over time.

**Your FICO score only looks at information in your credit report.**

However, lenders look at many things when making a credit decision including your income, how long you have worked at your present job and the kind of credit you are requesting.

**Your score considers both positive and negative information in your credit report.**

Late payments will lower your score, but establishing or re-establishing a good track record of making payments on time will raise your FICO credit score.

<http://www.myfico.com/crediteducation/whatsinyourscore.aspx>

# Improving Your Credit

There are no secrets to building a strong credit score, but following these guidelines should help:

**Pay your bills on time, every time.** One way to make sure your payments are on time is to set up automatic payments, or set up electronic reminders. If you've missed payments, get current and stay current.

**Only apply for credit that you need.** Credit scores look at your recent credit activity as an indicator of your need for credit. If you apply for a lot of credit over a short period of time, it may appear to lenders that your economic circumstances have changed negatively.

**Don't get close to your credit limit.** Credit scoring models look at how close you are to being "maxed out," so try to keep your balances low in proportion to your overall credit limit. Experts advise keeping your use of credit at no more than 30 percent of your total credit limit.

**Note:** You don't need to revolve on credit cards to get a good score. Paying off the balance each month helps get you the best scores.

**A long credit history will help your score.** Credit scores are based on experience over time. The more experience you have with getting credit and paying your bills on time, the more information there is to determine whether you are a good credit risk.

**Check your credit report regularly and make sure the information in your credit reports is correct.** Visit [AnnualCreditReport.com](http://AnnualCreditReport.com) to get a free copy of your credit report from the nationwide credit reporting companies. You can receive a [free credit report](#) from each of the big nationwide credit reporting companies once every 12 months.

**Tip:** If you have a problem with credit reporting, you can submit a complaint with the CFPB: <http://www.consumerfinance.gov/complaint/>

Adapted from: Consumer Finance Protection Bureau  
<http://www.consumerfinance.gov/askcfpb/318/how-do-i-get-and-keep-a-good-credit-score.html>

# Websites and Apps to Check Credit



Credit Karma



Credit Sesame



MyFICO.com



Transunion



Experian



Mint

# Freezing Your Credit

## 1. Contact TransUnion, Equifax, and Experian online, by phone or by mail.

TransUnion	Equifax	Experian
Phone: 800-680-7289	Phone: 888-298-0045	Phone: 888-EXPERIAN
Mail: Fraud Victim Assistance Dept.	Mail: Equifax Security Freeze	Mail: Experian Security Freeze
P.O. Box 2000	P.O. Box 105788	P.O. Box 9554
Chester PA 19022-2000	Atlanta GA	Allen TX
	30348	75013

## 2. Provide all information requested, including your Social Security number.

**3. Pay the \$10 fee required by each credit reporting agency.** If you are an ID theft victim, you can request the fee be waived but you must submit documents, including a valid police report or complaint form from the Federal Trade Commission.

By law, your requested freeze must be in place five business days after the agencies receive it. Expect a written confirmation within 10 business days. Your confirmation will include a personal identification number (PIN) and instructions to make any changes. Secure this information; you may be charged a \$10 fee if you need another PIN.

### Thawing the freeze

You can temporarily or permanently remove a credit freeze or “thaw” it if you plan to apply for new credit or insurance.

1. Follow the procedures in the confirmation letter you received from each credit reporting agency.
2. Provide a \$10 fee to each agency.

By law, the credit reporting agencies must lift the freeze within three business days, provided you have given your proper identification, PIN, and a fee, if applicable.

### Keep in mind

If you plan to make a purchase that requires a look at your credit files, such as buying a cell phone and service, you need to temporarily remove the freeze so the company can access your credit files. If you lift the freeze, all merchants and lenders will have access to your account.

Each member of your household must obtain their own credit freeze.

If you have a freeze, government agencies, law enforcement, courts, and some private companies can still have access to your credit files. These include companies you do business with, and those you owe money to, including collection agencies.

<http://dfr.oregon.gov/gethelp/protectfinances/identity/Pages/credit-freeze.aspx>