

COLLEGE MADE EASY:

CREDIT REPORTS

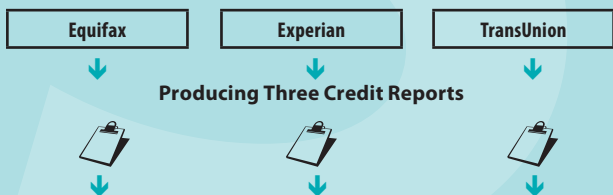
If you were going to lend someone money, wouldn't you want to know that you would be repaid? A **credit report** (or credit history) is a record of how you have borrowed and repaid debts. There are three bureaus that provide credit reports for you: Experian, Equifax, and TransUnion. A **credit score** is a number that summarizes your credit history. The purpose of these scores is to help lenders determine if you are a risky borrower. Scores range from 350 to 850.

THE CREDIT SYSTEM

1. The Providers

Lenders	Utilities*	Collections*	Courts
Mortgage Auto Loans Credit Cards Student Loans Personal Loans	Cable Phone Mobile Phone Gas Electric	Landlords Return Checks Doctors Hospitals Utilities	Bankruptcy Judgements Tax Lien

2. Three Major Credit Agencies



3. FICO Produces Three Credit Scores



*Does not increase or help your score when paid responsibly, however they impact your score negatively when not paid.

**Modified from Table in *The Road to 850* by Al Bingham



**PERSONAL MONEY
MANAGEMENT CENTER**

THE UNIVERSITY OF UTAH

CREDIT SCORES

How is your FICO score calculated?

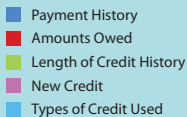
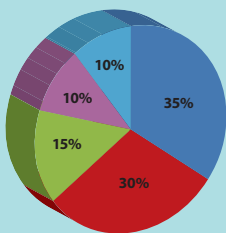
Payment History: Paying your bills on time

Amounts Owed: Divide your debt on revolving credit lines by the amount of revolving credit available to you. Try to keep this ratio below 25%

Length of Credit History: How long accounts have been open and average age of all your accounts.

New Credit: A recently opened account can help your credit score but multiple inquiries for credit in a short period of time can hurt your score.

Types of Credit: Having credit cards and installment loans with a good credit history will raise your score.



Important Information:

- You can receive a free credit report ONLY from **www.annualcreditreport.com**. Request one from each of the 3 credit bureaus every 4 months (e.g. Equifax each January, Experian each May, Trans Union each September).
- To get your true FICO score, you will have to go to **www.myfico.com** and pay a fee.
- Don't close your oldest revolving line of credit because it will shorten your credit history.
- Not having credit cards can make you appear riskier to lenders than someone who manages their credit cards responsibly.

I ♥
SAVING MONEY



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