



UNDERSTANDING

YOUR CREDIT
REPORT & SCORE



Empowering people to lead financially healthy lives.

GREENPATH SERVICES



FINANCIAL
ASSESSMENTS



HOUSING
COUNSELING



CREDIT REPORT
REVIEW



DEBT
MANAGEMENT

1

Why is credit important?



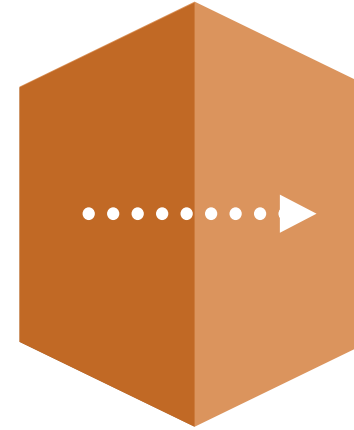
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How to obtain a copy of your credit report.



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How to build / rebuild credit.



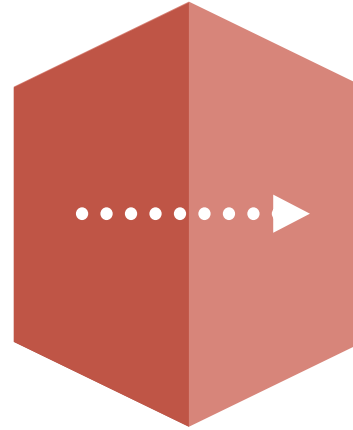
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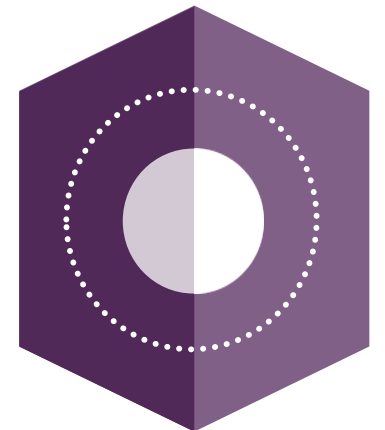
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Credit scores & how they are calculated.



6

Common credit myths.

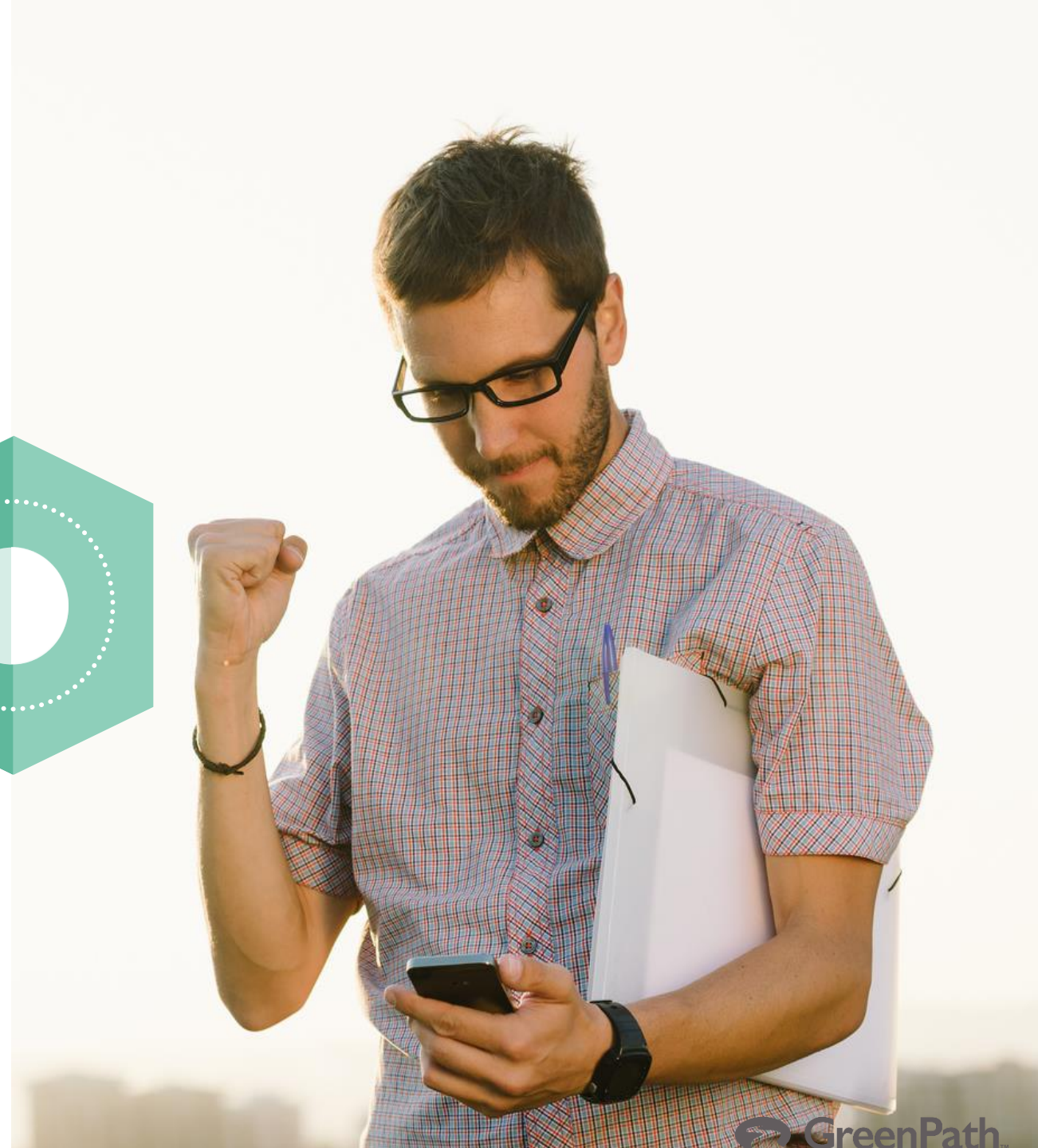
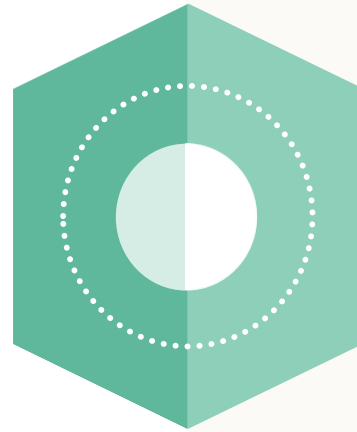




Why is
credit
important?

GOOD CREDIT

Land Your
Dream Job



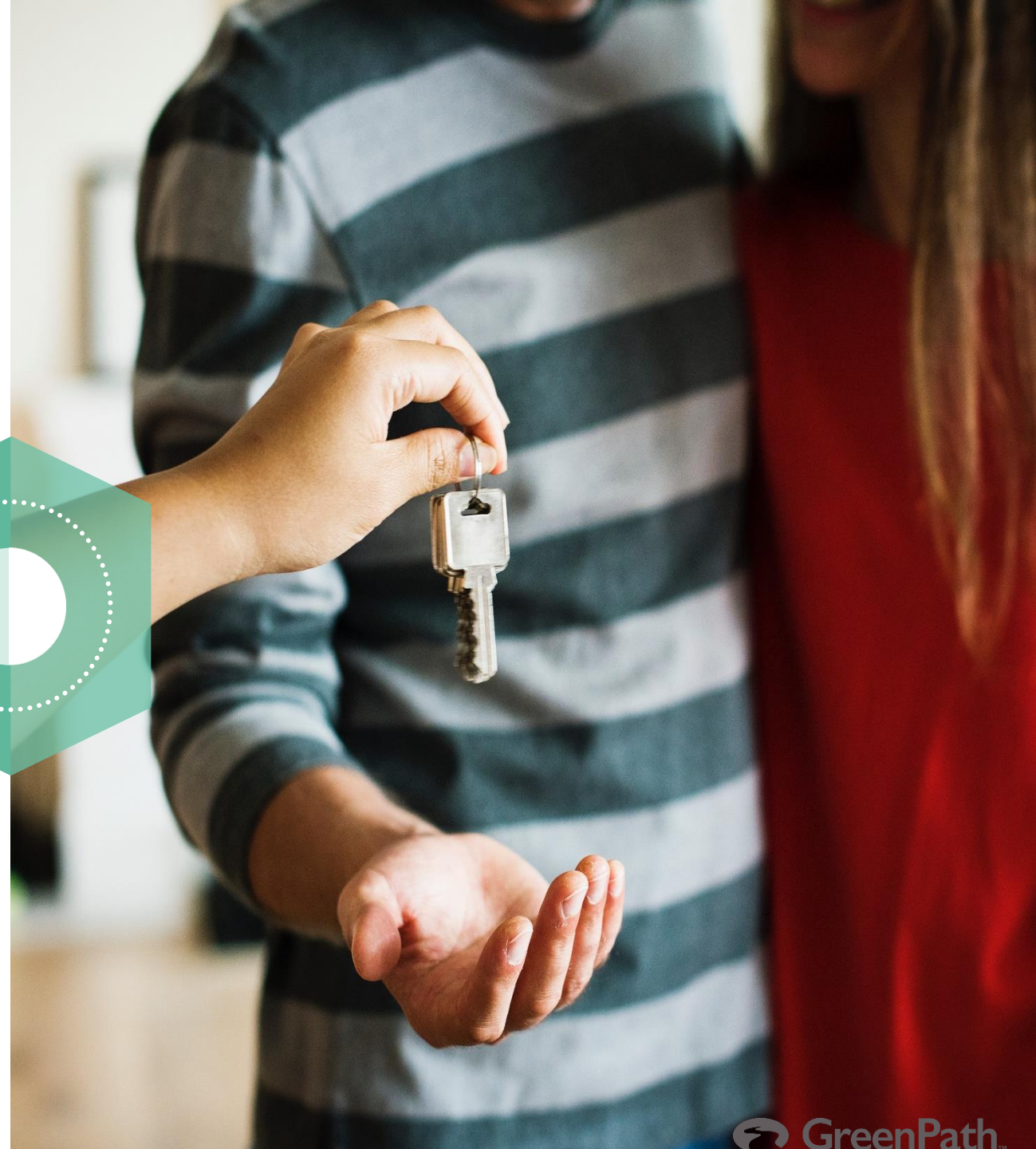


GOOD CREDIT

Getting a
Loan When
You Need It

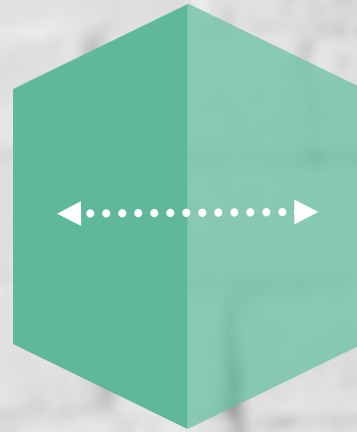
GOOD CREDIT

Renting or
Buying Your
Own Place



\$250,000 30-Year Fixed Rate Mortgage

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



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

Good Credit Saved Angela \$34,258!

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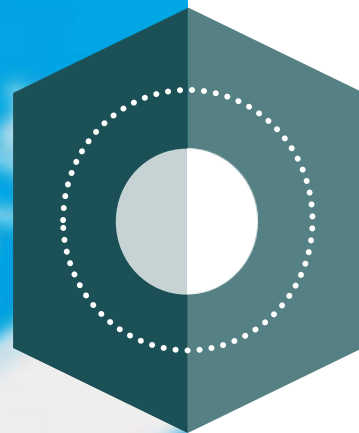
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Common credit myths.

CREDIT BUREAUS



WHAT'S ON YOUR CREDIT REPORT?



IDENTIFYING
INFORMATION

OPEN
ACCOUNTS

CLOSED
ACCOUNTS

COLLECTION
RECORDS

INQUIRIES

CONSUMER
STATEMENT

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CREDIT REPORT

annualcreditreport.com

Central Source LLC

P.O. Box 105283

Atlanta, GA 30348-5283

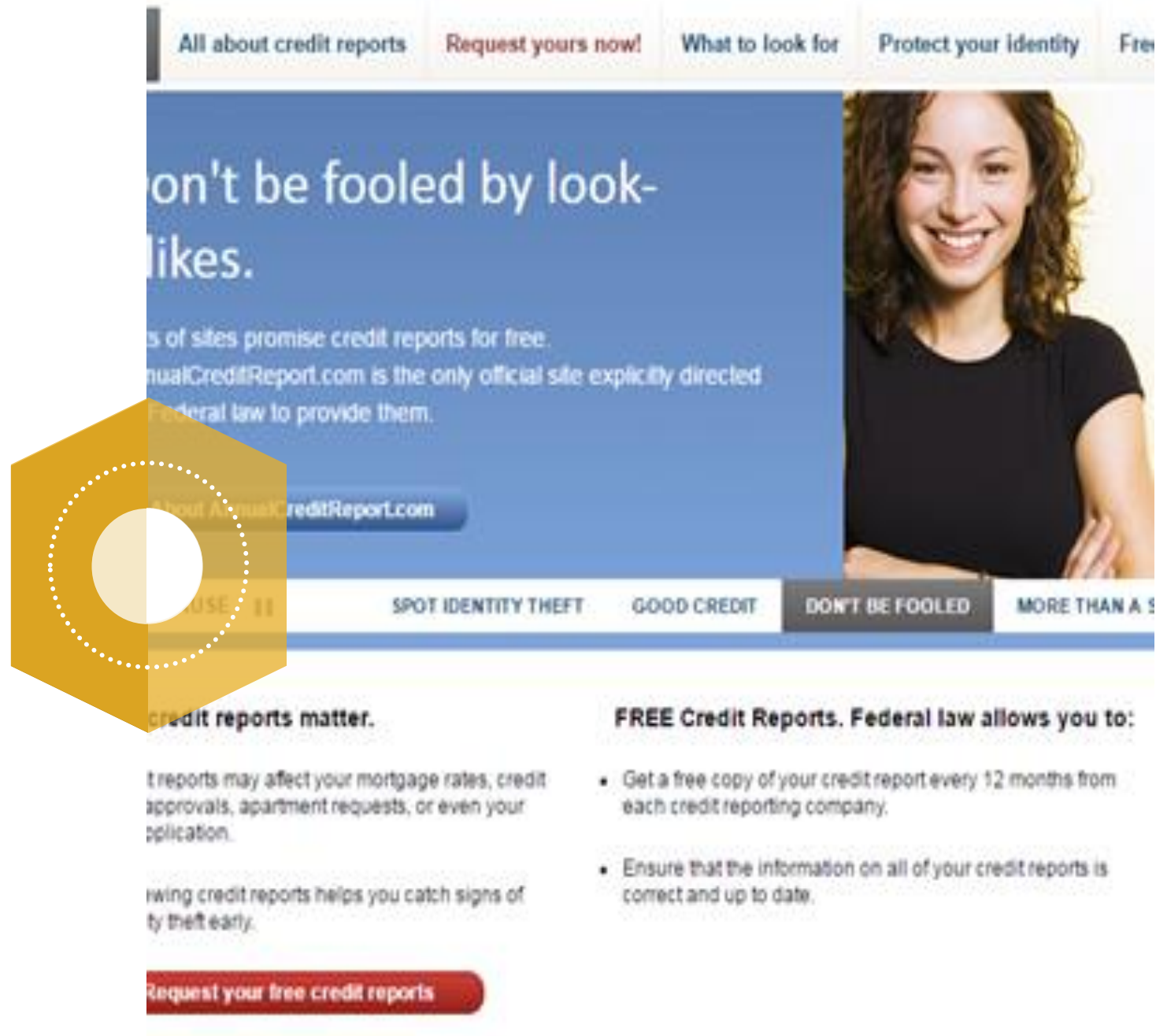
Phone: 877-322-8228

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.



The image is a screenshot of the AnnualCreditReport.com website. At the top, there is a navigation bar with links: "All about credit reports", "Request yours now!", "What to look for", "Protect your identity", and "Free". The main header area has a blue background with the text "Don't be fooled by look-alikes." and "Many sites promise credit reports for free. AnnualCreditReport.com is the only official site explicitly directed by Federal law to provide them." Below this is a blue button that says "About AnnualCreditReport.com". To the right of the text is a photo of a smiling woman with curly hair. Below the main header is a white bar with several tabs: "SPOT IDENTITY THEFT", "GOOD CREDIT", "DON'T BE FOOLED", and "MORE THAN A S". Below this bar, there is a section titled "credit reports matter." with text explaining that credit reports affect mortgage rates, credit approvals, apartment requests, or even your application. It also mentions that reviewing credit reports helps catch signs of identity theft early. To the right of this text is a list of bullet points under the heading "FREE Credit Reports. Federal law allows you to:". The bullet points are: "Get a free copy of your credit report every 12 months from each credit reporting company." and "Ensure that the information on all of your credit reports is correct and up to date." At the bottom of the page is a red button that says "Request your free credit reports". A large yellow hexagonal graphic with a white circle in the center is overlaid on the left side of the screenshot.

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

Don't be fooled by look-alikes.

Many 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

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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

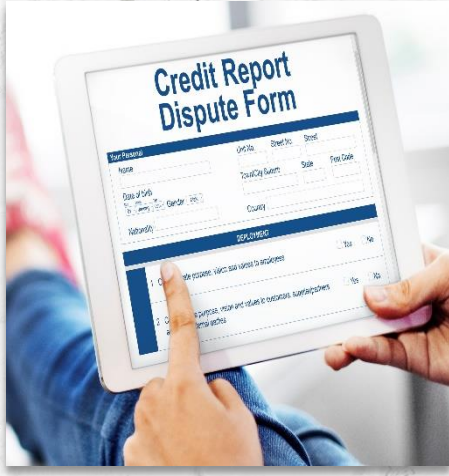
- Chapter 7 Bankruptcy



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

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CREDIT SCORES

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

LOWER RISK

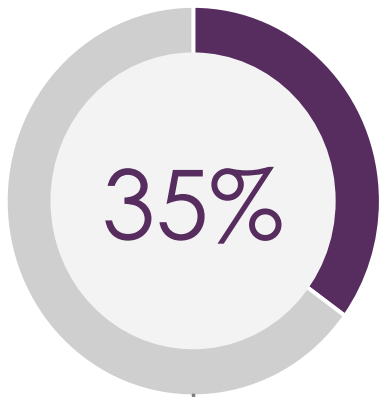
HIGHER RISK



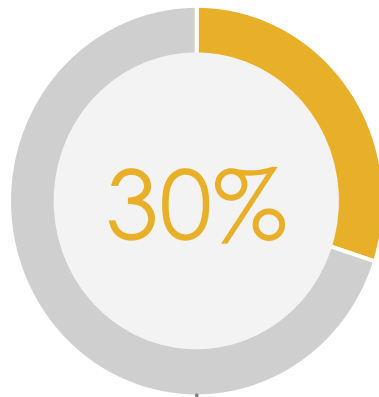


What are the factors
that impact a
credit score?

CREDIT SCORE BREAKDOWN



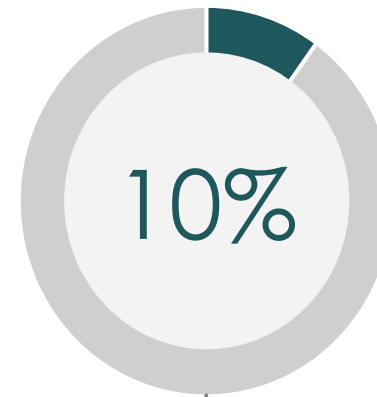
Payment
History



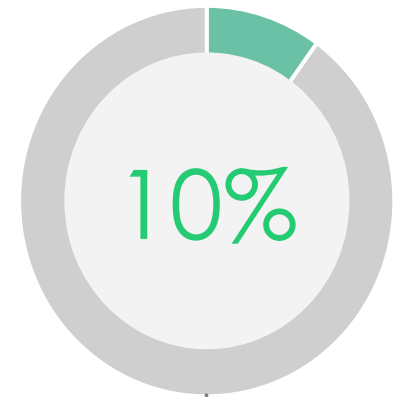
Amounts Owed /
Use of
Available Credit



Length of
Credit History

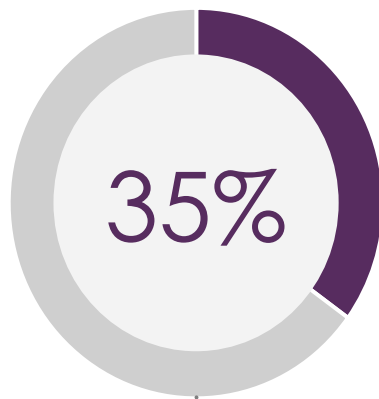


Types of
Credit Used/
Credit Mix

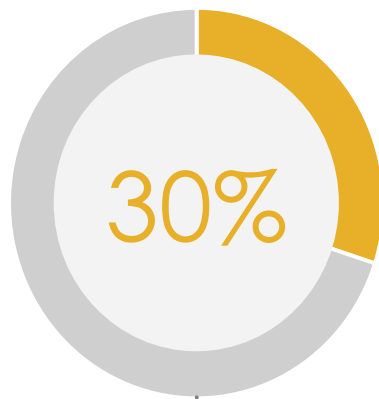


New Credit

CREDIT SCORE BREAKDOWN



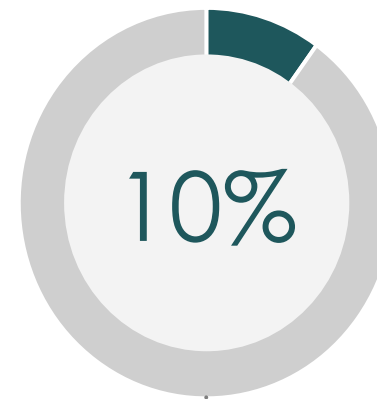
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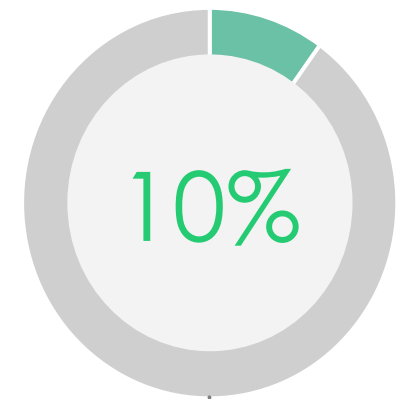
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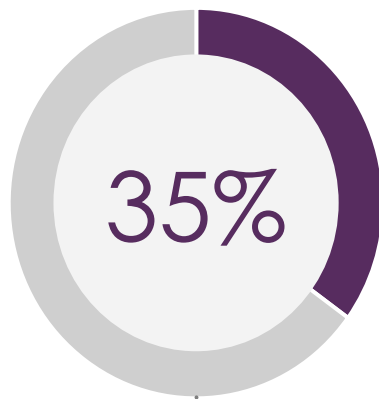
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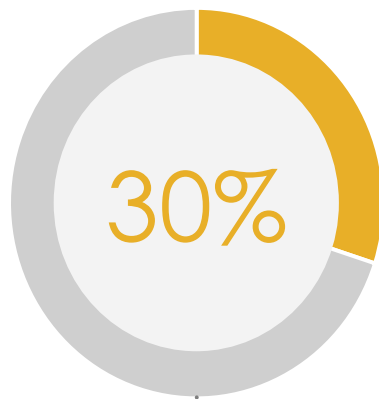
New Credit

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.

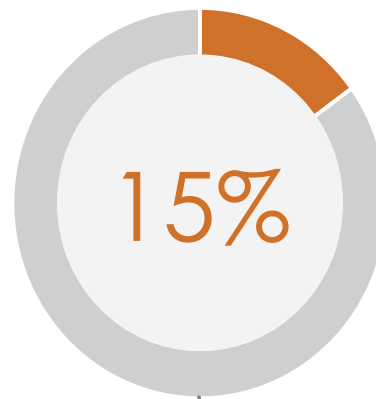
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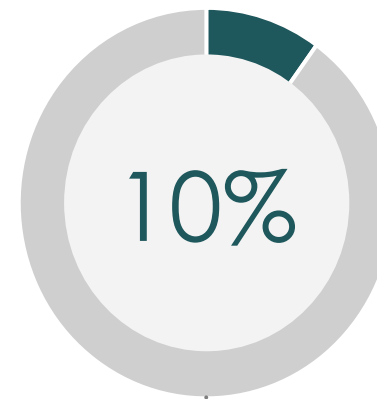
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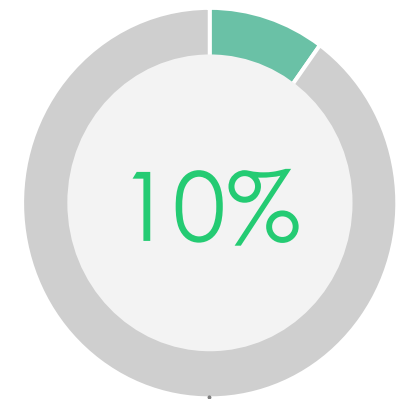
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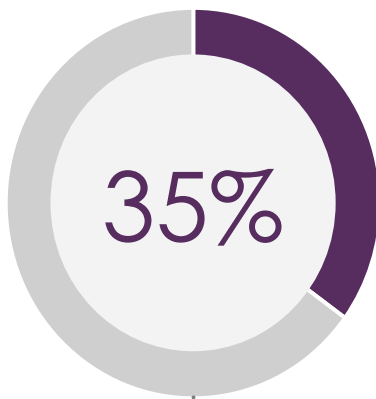
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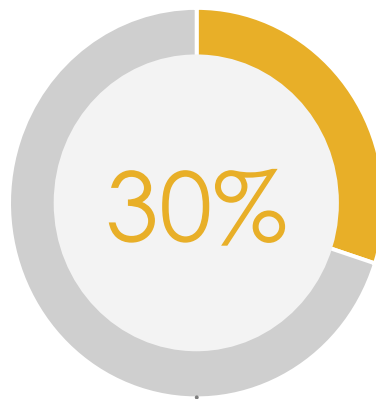
New Credit

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.

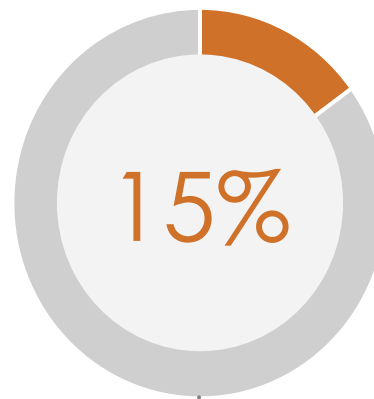
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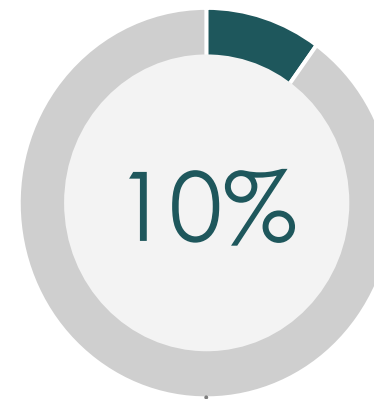
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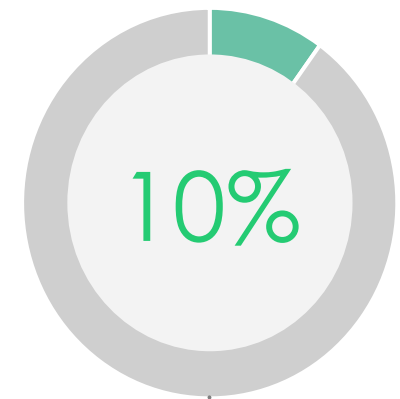
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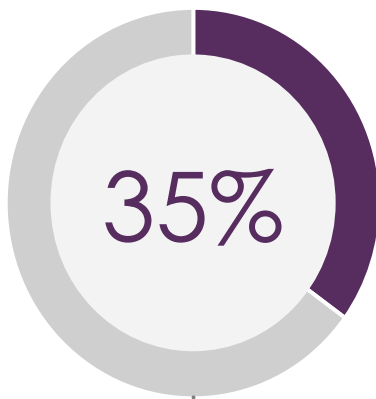
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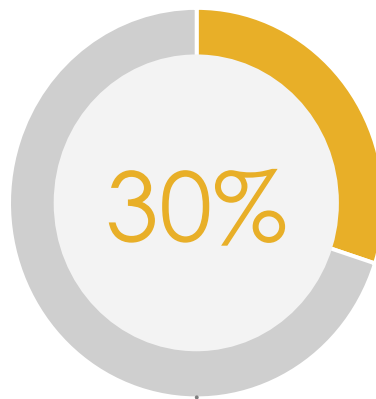
New Credit

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

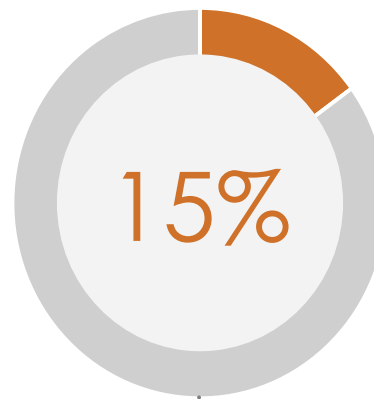
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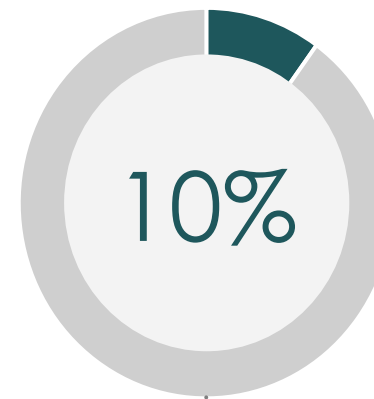
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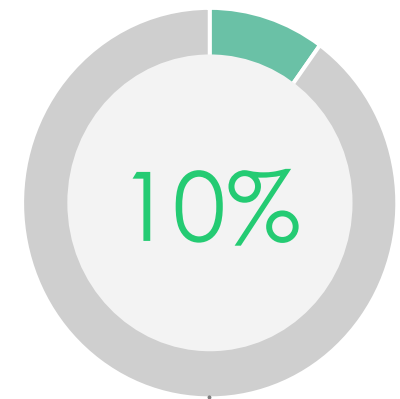
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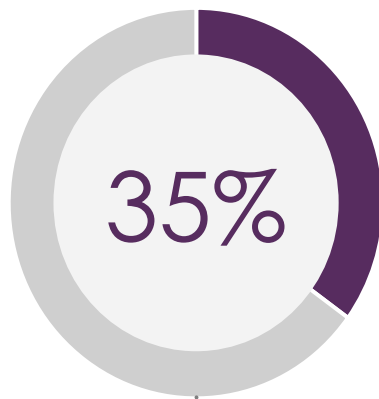
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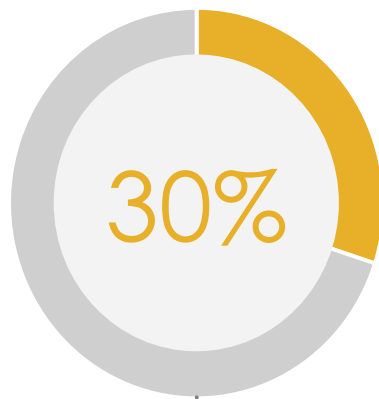
New Credit

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

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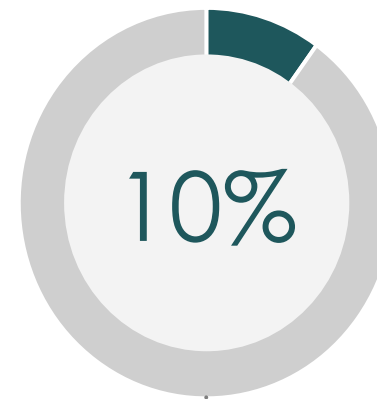
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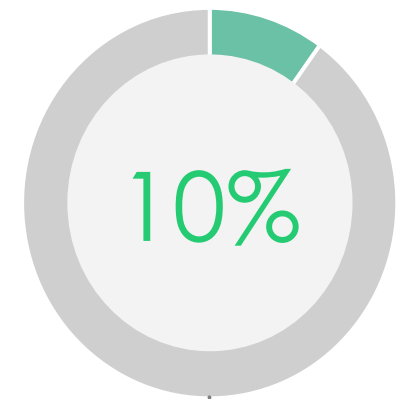
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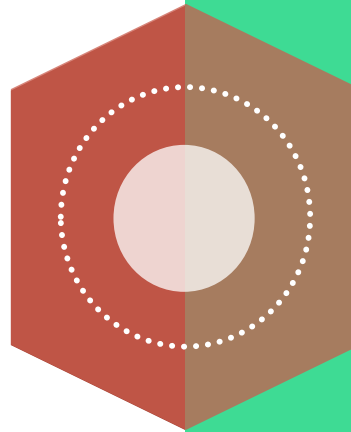
New Credit

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.

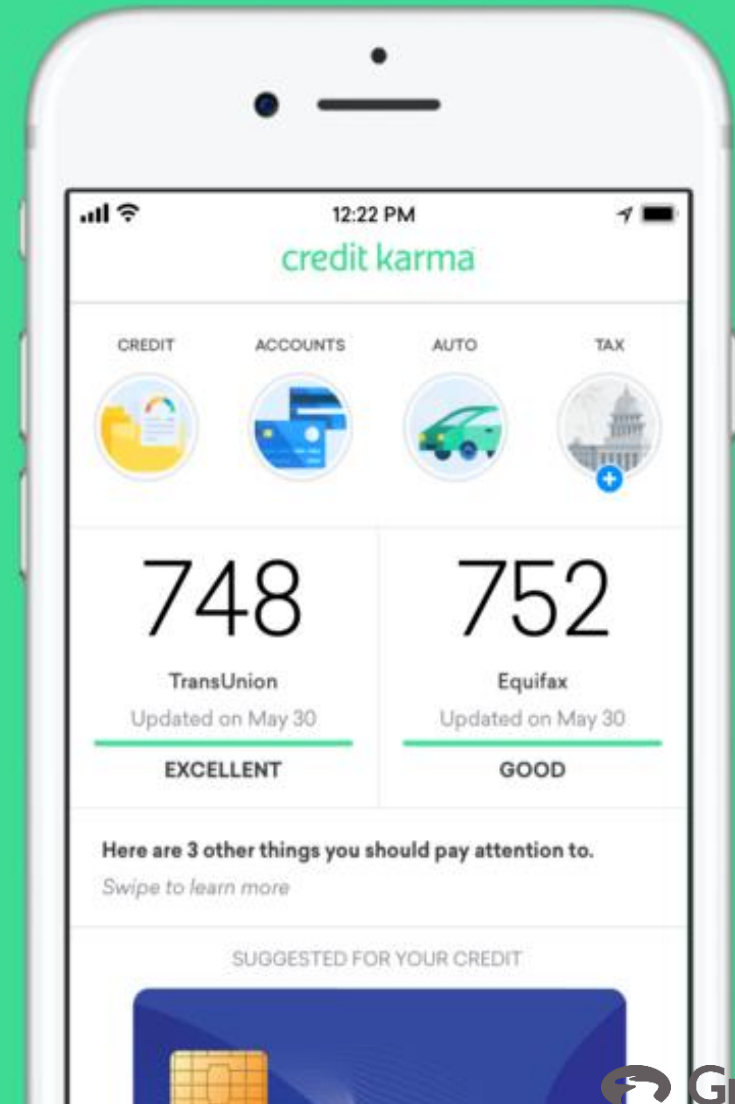
CREDIT KARMA

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.

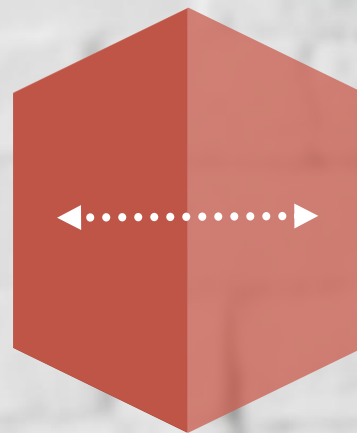


Check your credit scores
anytime, anywhere



Who has the better credit score?

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



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

Angela has the better credit score!

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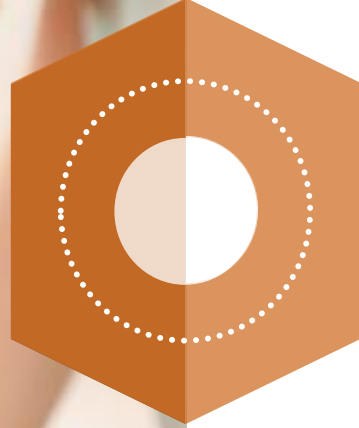
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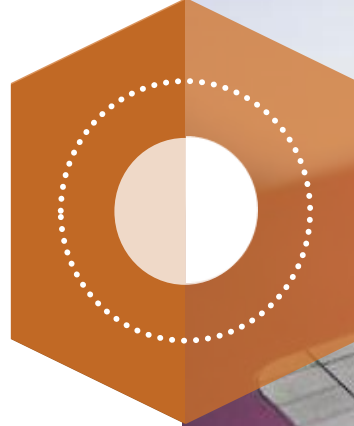


BUILDING CREDIT

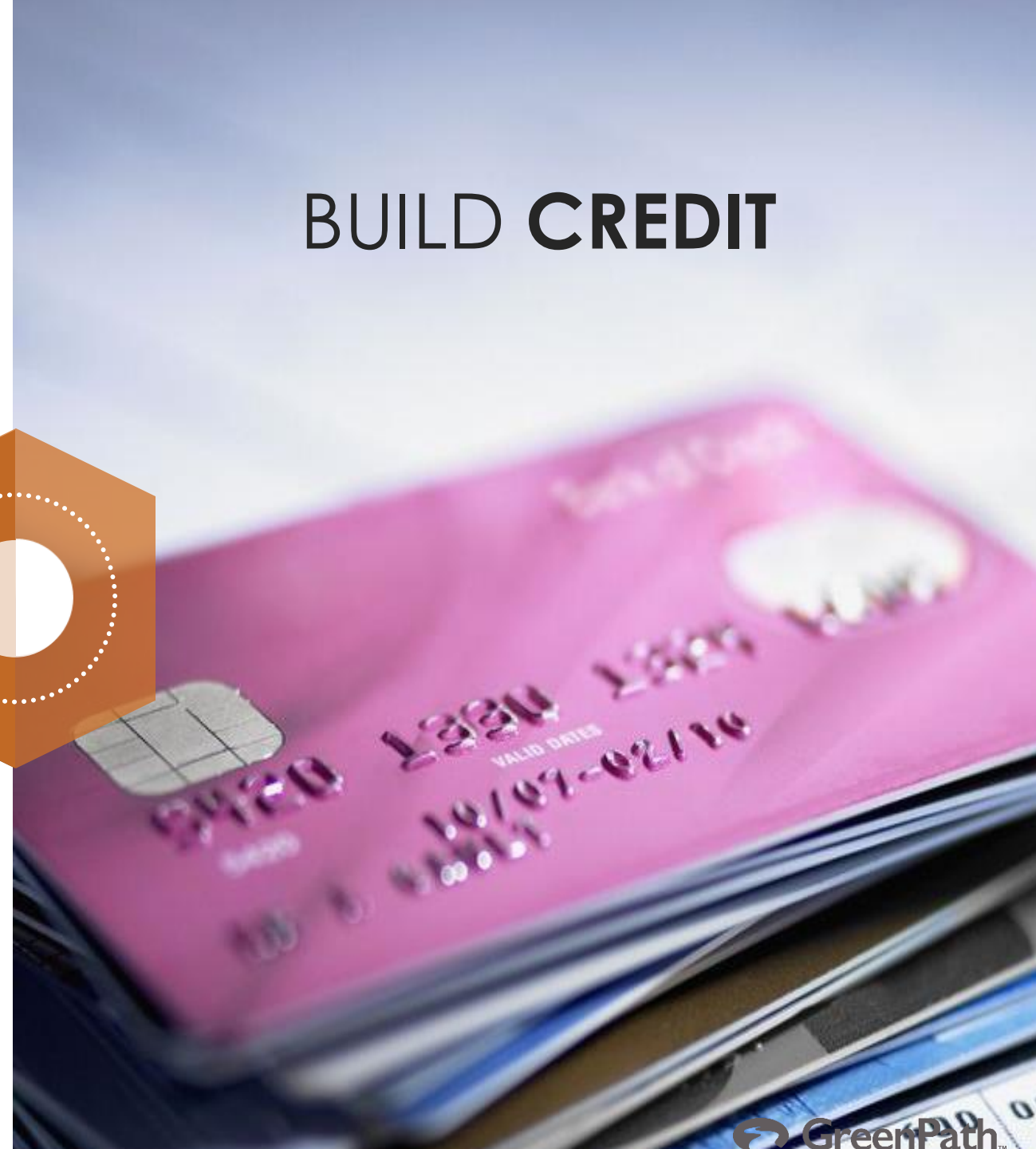
Review your goals

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

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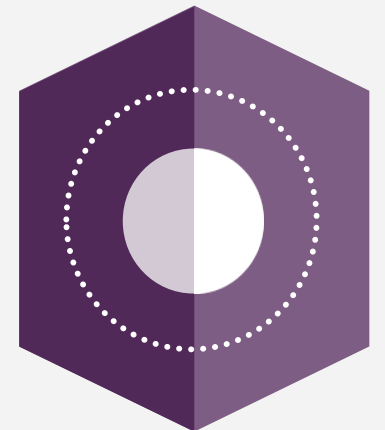
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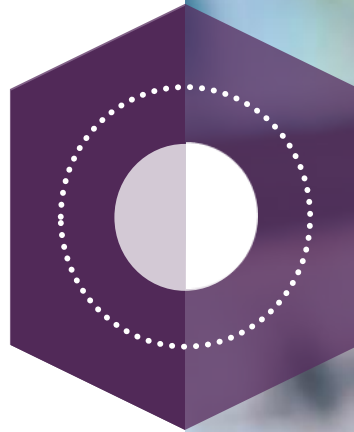
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Common credit myths.



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

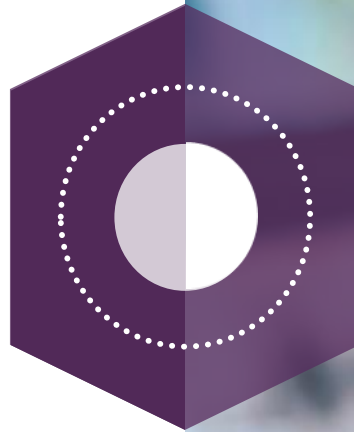
KATIE

.....

- 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

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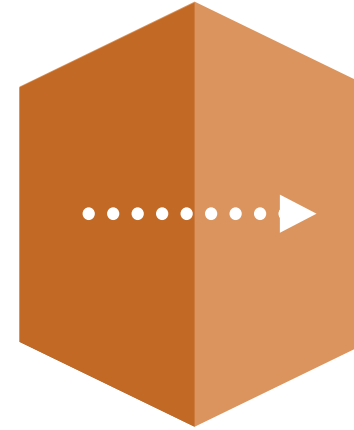
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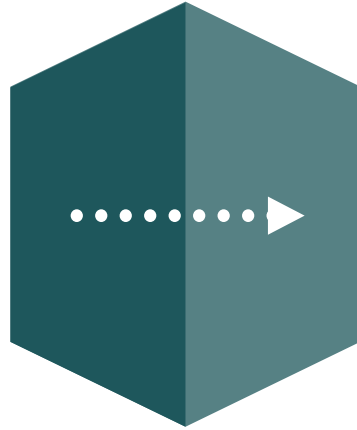
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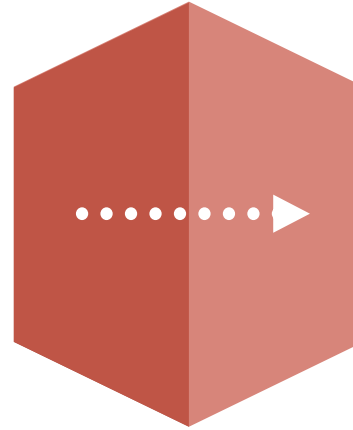
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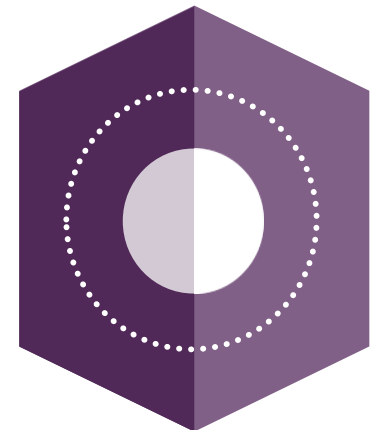
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GREENPATH

FINANCIAL WELLNESS

is a nationwide non-profit that provides financial education and tools for people to lead *financially healthy lives*.