

ESTABLISHING CREDIT

- Apply for a low-limit credit card
- Become an authorized user on someone else's credit card
- Open up a credit builder loan

INCREASING THE CREDIT SCORE

- Make debt payments on time
- Remove incorrect or negative information from your credit reports
- Pay off revolving debts, like credit cards and lines of credit, and keep the balances low
- Keep old credit card accounts open
- Minimize hard credit inquiries

NOTES

RANGE OF SCORES

720-850 EXCELLENT

689-719 VERY GOOD

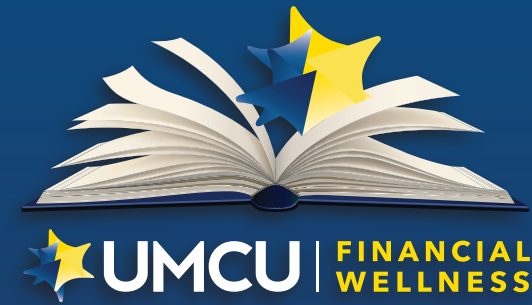
658-688 GOOD

627-657 AVERAGE

300-626 BELOW AVERAGE

CONTACT US

**IF YOU HAVE QUESTIONS
OR NEED ANY RESOURCES**

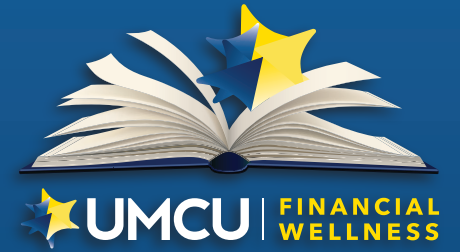


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BE CREDIT SMART

Playbook^{xx} for
Prosperity
^x

TRUTH OR MYTH

1

The less you spend on credit, the better it is for your credit score.

Truth - The lower your utilization percentage (credit card/line of credit balance divided by credit limit) is, the better it is for your score.

2

You should open up several credit cards in a short period to increase your score.

Myth - Applying for and opening too many credit or loan accounts in a short period of time will lower the score because of the hard inquiries.

3

As long as you pay off your credit cards each month, your score is not impacted by how much you charge.

Myth - Even if you pay off your credit cards each month, if the balance that gets reported is over 30% of the individual credit limit, your score could drop.

4

Account information regarding open credit accounts is generally updated on your credit reports every 30-45 days.

Truth - Creditors report to the credit bureaus once a month.

5

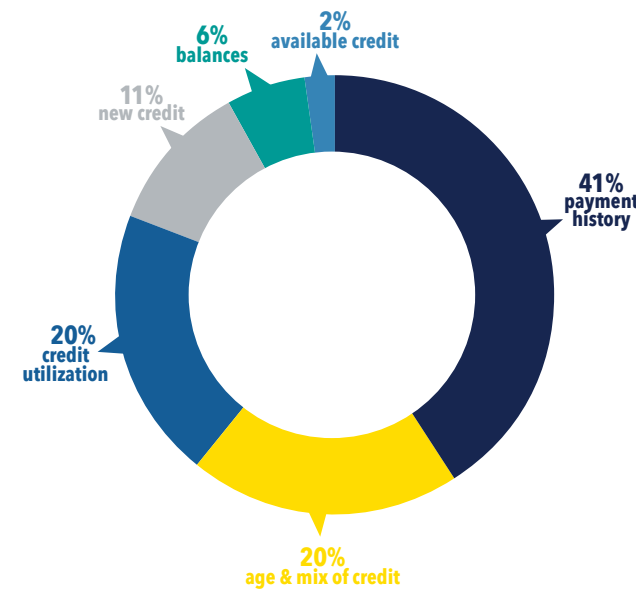
It takes several years to establish a high credit score.

Myth - Even if you're starting from scratch, with responsible loan and credit use, it's possible to have a high credit score in about 6-9 months.

6

If a creditor, not you, closes one of your credit cards, your score will not be impacted.

Myth - Regardless of who closes a credit card, the score can drop because it can lower the available credit and shorten the history.



Payment History (41%)

Always try to pay bills on time. It's worse for your score the further behind a bill becomes and when you have multiple accounts past due. Recent late payments will have the worst impact, so get accounts current as soon as possible to begin rebuilding the score.

Age and Mix of Credit (20%)

Credit accounts that have been open longer help the score. This factor includes your average, oldest, and youngest account age. Mix of credit is defined as having a variety of open, on-time accounts which can also benefit your score, showing diversity in credit management. This would include revolving and installment accounts.

Credit Utilization (20%)

Strive to keep revolving account balances (credit cards and lines of credit) under 30% of the individual credit limits to avoid a negative impact to the score. If possible, pay the balances to \$0 every month. This factor also looks at your balances on installment loans, but revolving credit plays a bigger role.

New Credit (11%)

Every time you apply to borrow money, whether or not you're approved, a hard inquiry is documented on your credit report. Applying for several loans or credit cards in a short period of time will negatively impact the score. Only apply for new accounts when needed. The VantageScore treats all hard inquiries within a 14-day window as one single inquiry.

Balances (6%)

Having high overall balances on your credit and loan accounts can negatively impact the score. Pay down debt balances whenever possible.

Available Credit (2%)

Having more available credit on your revolving credit accounts can help your score slightly.

HOW IS YOUR VANTAGESCORE 4.0 DETERMINED?

Credit scores are calculated using the information contained on your credit reports.

There are three major bureaus - Experian, Equifax, and TransUnion.

You can pull your detailed credit reports for free at www.annualcreditreport.com. It's beneficial to check all three to ensure accuracy and that there are no signs of identity theft. When you pull your credit reports or scores yourself, this is a soft inquiry and does not hurt the credit score.