

WHAT'S MY SCORE?



**EVERYTHING YOU NEED TO KNOW
ABOUT YOUR CREDIT.**

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There's another score that's as important as your GPA. It's called a **credit score**. And whether you know it or not, someone is already keeping track.

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WHAT IS A **GOOD** CREDIT SCORE?

In simplest terms, a credit score is a single number that helps lenders and others decide how likely you are to repay your debts.

DO YOU HAVE:

- CREDIT CARD
- CAR LOAN
- STUDENT LOAN
- BANK LOAN
- DEPT. STORE ACCOUNT

If you answered yes, you likely have a credit report. If you have a credit report, then you likely have a credit score that goes with it. Your credit score changes over time. Every time you apply for, use, make or miss a payment on a loan or credit card, you build another entry on your credit report — and raise or lower your credit score. More recent activity carries more weight.

DID YOU KNOW?

Credit scores are based solely on credit history & don't include factors like race, religion, national origin, gender, age, education level or marital status.

- **BUYING A CAR OR HOME:** Lenders may look at your credit score before deciding whether you are a good risk for a car loan or home mortgage — or how much interest to charge if you get the loan.
- **PHONE AND ELECTRIC LINE SET-UP:** Utility companies may check your credit score before deciding whether you have to pay a deposit.

YOU NEED GOOD CREDIT


- **RENTING AN APARTMENT:** Landlords may check your credit score before deciding whether to rent to you.
- **PUTTING IT IN PERSPECTIVE:** Higher credit scores can mean lower interest rates — and big savings. For a 5 year, \$20,000 car loan, the difference between a lower interest rate and a high interest rate can mean a savings of \$3,600!
- **GETTING CREDIT WHEN YOU NEED IT:** Credit card issuers use credit scores to help decide whether to approve your application for a new card and if you should get a low interest rate on that card.
- **KEEPING CREDIT AFFORDABLE:** Credit card issuers continue to look at your credit score after they issue a credit card to you — they may raise your interest rate if your credit score gets significantly worse.



T TO BUY THESE



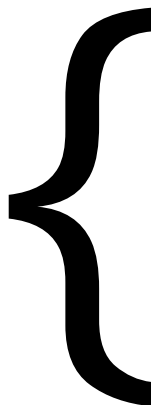
WHAT GOES INTO A GOOD CREDIT SCORE?

- 
- Your payment track record.
 - The amount of debt you owe.
 - How long you've used credit.
 - How often you've applied for new credit.
 - The types of credit you currently use.

WHAT IS CONSIDERED A “GOOD” CREDIT SCORE?

The higher the number, the better your credit score. FICO® credit scores* — developed by Fair Isaac Corporation, and today’s most commonly used scoring system — can range from 300 to 850. Most people score in the 600s and 700s.

**MOST PEOPLE SCORE
IN THIS REGION**



100

200

300

400

500

600

700

800

850

*Other scoring systems may use different numerical scales, but most use similar methods and factors to determine score.

MEET TINA.

Take a look at the ups and downs of Tina's credit score in her years at college. **She learned lessons the hard way, then understood what it took to maintain a good credit score.**

Tina has just arrived at college ready to take on a new life full of opportunities. She's got her money saved up for the semester, and thus far has never had a loan or a line of credit of her own. She signs up for a new credit card at the bookstore her first week of school, where they are giving away free T-shirts for every completed application.



Credit scoring information used here is provided courtesy of Fair Isaac Corporation. The FICO® scores cited in Tina's story are simplified for purposes of illustration and are hypothetical. Your actual scores may differ.

| BEHAVIOR OR ACTION | CHANGE IN SCORE | CURRENT FICO SCORE | THE CREDIT SCORE CURVE |
|---|-----------------|--------------------|------------------------|
| FRESHMAN YEAR | | | |
| Tina gets a credit card with a \$1000 limit. She breaks it in by buying her books and supplies over the semester. She pays at least the minimum due as soon as the bill arrives every month. | - | 780 | A+ |
| Tina starts Spring Break in a great mood. She throws a party for all her friends and maxes out her card. | -150 | 630 | C |
| Tina applies for and gets a second credit card. | -10 | 620 | C |
| SOPHOMORE YEAR | | | |
| Over the summer she works hard and pays the balance on her first card. | +180 | 800 | A+ |
| In September, Tina's car needs major repairs so she can get to her job. The bill maxes out both cards. | -180 | 620 | C |
| In October, Tina forgets to tell one credit card company that she has moved, so her payment on her account, including late fees, is \$100 and 30 days past due. | -130 | 490 | F |
| She makes up the late payment and pays just the minimum amount due on time on both cards for the rest of the year. | +110 | 600 | C |
| JUNIOR YEAR | | | |
| Tina works very hard to pay down her debts by paying \$50 more than the minimum payment on each card and uses her cards sparingly for the rest of the school year. | +70 | 670 | B |
| SENIOR YEAR | | | |
| Tina decides to take better control of her credit. Tina pays off almost all of her debt by graduation, and, she paid her bills on time for a solid two years, her credit is once again excellent. | +100 | 770 | A+ |

HOW CAN I GET A GOOD CREDIT SCORE?

All the factors contributing to good credit make it seem like a complex math equation. It's actually easy to build and keep good credit if you follow the guidelines below.

- **ESTABLISH A GOOD CREDIT RECORD.**

Open a credit account in your name, and use it wisely and limit the number of cards you take out.

- **BE SURE TO PAY YOUR MONTHLY BALANCE ON TIME.**

If you miss the due date on a payment, send it as soon as possible — the late fees, interest penalties and harm to your credit score increase as the payment becomes more overdue.

- **“MAXING OUT” YOUR CREDIT CARD IS NOT A GOOD IDEA.** Use your credit sparingly and keep well within the credit limit on the account.

- **PAY OFF CARD BALANCES INSTEAD OF MOVING DEBT TO OTHER CARDS.**

Opening new accounts you don't really need can lead to more debt, and too many open accounts may lower your credit score.

- **FINALLY, CHECK YOUR CREDIT REPORT REGULARLY TO MAKE SURE IT IS ERROR-FREE.**

You can do this by contacting each of the three major reporting agencies.



WHEN YOU'RE READY FOR A BETTER
HOME ENTERTAINMENT
system, you'll be glad you have
a good credit score.

HOW TO GET YOUR CREDIT SCORE.

FOR A FEE, YOU CAN ORDER YOUR FICO® CREDIT SCORE AND LEARN MORE ABOUT CREDIT SCORING BY GOING TO: WWW.MYFICO.COM

To obtain a copy of your credit report or to report errors, you can contact the three major credit bureaus:

EQUIFAX (800) 685-1111 www.equifax.com

EXPERIAN (888) 397-3742 www.experian.com

TRANS UNION (800) 888-4213 www.transunion.com

In some situations, such as when you've been denied credit, you can get your report for free. Otherwise, there may be a fee.

For more information about credit, and credit scores visit www.whatsmyscore.org.

A yellow and white station wagon is parked on a street with patches of snow. The car shows signs of wear, including rust along the bottom edge and on the rear wheel well. A red-bordered sign is attached to the front fender. The background features residential houses and bare trees.

**WHEN YOU'RE READY FOR
A NICER CAR**
you'll be glad you have a
good credit score.

THE CREDIT CARD PROJECT

The Credit Card Project is a comprehensive credit education and early intervention project designed to help consumers, especially young people, manage credit cards successfully. Most consumers use debt wisely. Yet a significant number of people have serious trouble managing credit card debt, which can lead to both personal trauma and societal costs.

The Credit Card Project grew from work completed by The Saint Paul Foundation, which validated media and anecdotal reports about consumers' problems with credit card debt.

Bringing together card issuers, consumers, credit counselors, educational institutions, foundations, regulators, and other credit card industry stakeholders, the Credit Card Project provides a unique forum for understanding the factors that lead to trouble and devising actions to change them.

The Saint Paul Foundation, a non-profit charitable organization whose mission is to contribute to the health and vitality of the community, directs the project.

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