

The Importance of Your Credit Score!

Credit score ranges from _____ to _____

Credit Score VS Credit Report



*Thought Assessment:

- Do you have negative thoughts about your credit score?
- If so, where did it come from?



NOTES

Who Uses A Credit Score?

- Financial Institutions
- Landlords
- _____ Insurance
- _____ Insurance
- _____ Insurance
- _____ Insurance
- Utility Companies
- Employers



Cost of Credit Score:

- 850- 760: Ideal
- 720: \$100/ month
- 680: \$300/ month
- 640: \$600/ month
- 580: Over \$1000/ month



*Thought Assessment:

- Are you aware you mismanage your credit, and dread checking your score because of it?
- How do you plan on fixing your credit if you don't know where you stand?

Action	Decline from 680 Score	Decline from 780 Score
Maxed-out credit card	10-30 points	25-45 points
30-day late payment	60-80 points	90-110 points
Debt settlement (Less than full balance)	45-65 points	105-125 points
Foreclosure	85-105 points	140-160 points
Bankruptcy	130-150 points	220-240 points

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Components of a Credit Score:

Payment History (_____%)



Length of Credit History (_____%)



Types of Credit (_____%)



Amount Owed (_____%)



New Credit (_____%)



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What Improves Your Credit Score?

- Make all payments on time
- Make more than the minimum payment or pay off credit cards
- Keep loan balances low
- Keep old accounts open
- Limit the amount of credit cards
- Don't open unnecessary revolving credit accounts



- Fixing Errors on My Credit:
- Step 1: Tell the credit reporting company what information you think is inaccurate
- Step 2: Tell the creditor that you dispute an item

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Resources

The Credit Score Quiz: <http://www.creditscorequiz.org/>

Free Credit Report: www.annualcreditreport.com

My Fico: <http://www.myfico.com/credit-education/whats-in-your-credit-score/>

Free FICO credit score: www.creditscorecard.com/registration

Other free ways to track your credit score: www.creditkarma.com or <https://www.creditsesame.com/>

Consumer Information: <https://www.consumer.ftc.gov/articles/0058-credit-repair-how-help-yourself>



*Thought Assessment:

- What area in your spending, or managing your credit, do you need to work on the most?
- What impacted you the most in this presentation?
- Why do you want to improve your credit score?

Next Steps:

- ❖ Pull your free credit report from annualcreditreport.com.
- ❖ Register for a free way to check your credit score and see how you are performing.
- ❖ Look at the ways of improving/maintaining good credit and turn it into a habit.

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