

Review your credit report and score

We recommend that you review each of your credit reports at least once a year. Since you are allowed one free credit report a year from each of the three credit bureaus, a good strategy is to order one every 4 months, and then you can stay on top of your credit throughout the year. Go to Annual Credit Report's website, www.annualcreditreport.com to order your copies.

You are entitled to a free credit report if a company denies your application for credit, insurance or employment, but only if you ask for the report within 60 days of the denial.



Credit is sometimes denied.

You are also entitled to one free copy of each report if you are unemployed and plan to look for a job within 60 days, or you are on public assistance or have been a victim of

Identity Theft. If you catch illegal activities on your credit report between 30-60 days you are only liable for the first \$50. If you wait longer, you may be liable for the entire amount of money.

Contact Consumer Credit Counseling Service of Greater San Antonio to obtain a free credit report review session.

210.979.4300 / 800.410.2227



Consumer Credit Counseling Service of Greater San Antonio

Main Office:
6851 Citizens Parkway,
Suite 100
San Antonio, TX 78229

210.979.4300
800.410.2227
www.cccssa.org

Other locations to serve you:

Northeast SA
Southside SA
Southwest SA

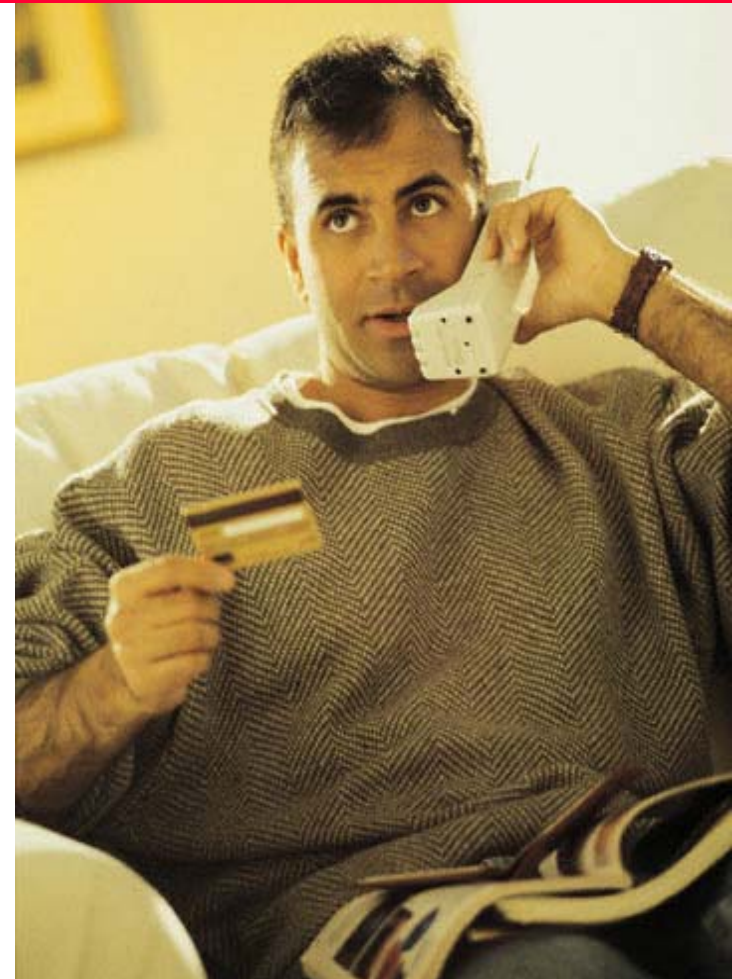
Del Rio
Eagle Pass
Hill Country

Kerrville

Laredo
San Marcos
Seguin

Uvalde

Mission Statement: To provide professional and affordable personal finance education, counseling, and debt management.



Your Credit Report and Score

**Consumer Credit Counseling Service
of Greater San Antonio**

A non-profit, full service financial counseling agency



Your Credit Report

A credit report is a record of your credit activities, revealing how you handle credit cards, loans and payments. Your credit report reflects the history of your borrowing and payment practices for a seven-to-ten-year period.

A credit report contains information about your credit and loan history and is used extensively by potential lenders to evaluate your creditworthiness. When applying for a loan, lenders examine your credit history to assess the likelihood that you will repay the loan.



Credit Scoring is based on real data and statistics.

How you handle credit today will affect your access to credit later. Whether you're opening a credit card, applying for a loan, purchasing a home or car, renting an apartment or signing up for utilities, providers will pull your credit report. Late or missed payments that are reported to the credit reporting agencies may adversely affect your credit, so making payments on time is crucial to building a positive credit history.

Know your rights.

Since the 1960's, credit records have been reported by creditors to local credit bureaus, and also to the three nationwide credit agencies, Equifax Experian, and TransUnion.

How you handle credit today will affect your access to credit later. Whether you're opening a credit card, applying for a loan, purchasing a home or car, renting an apartment or signing up for utilities, providers will pull your credit report. Late or missed payments that are reported to the credit reporting agencies may

This means someone with good credit in one city may apply for credit in another city. The downside is that bad information is also widely available, including late payments, settlements, and other adverse data. This may stay on your report for up to 7 years, and a bankruptcy filing may stay for 10 years. Companies may also still maintain their own record of your credit history, and there is no time limit for how long they can keep that information.

Your Credit Score

Most lenders access a credit score, a product of a mathematical formula that helps determine your credit risk. The most frequently used version of your credit score is the **FICO score** created by Fair Isaac and Company; FICO scores range between 300 and 850, with higher being better. Disputing errors you find on your credit report is important, as well as guaranteed by consumer protection laws. A higher score will generally result in a lower cost of credit, since you are perceived as less risky. Credit scores are often checked by companies that you might not expect, including utilities, cell phone companies, potential lessors and employers.

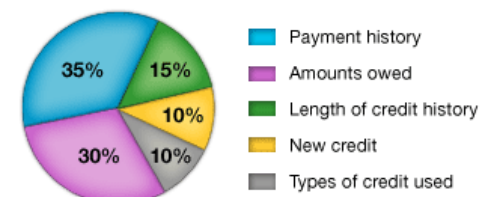
It is estimated that 35% of your credit score is determined by your payment history. This includes late payments, judgments, bankruptcy and tax liens. Other

Credit Score Averages

- A score in the 700s or higher is excellent;
- 650 is a midrange score, and
- anything lower than 600 has room for improvement.
- National average score is 676.

(Source: Hilary Smith, MSN Money)

factors are outstanding debt, length of credit history, recent inquiries and types of credit used. The impact of outstanding debt (30% of the score) may be reduced by keeping balances to within 30% of credit limits. Creditors also consider the length of your credit history (15%); longer relationships with financial institutions have a positive impact on your score. Recent inquiries are also about 10% so it is important to monitor the number and types of credit inquiries that you make.



Source: Fair Isaac Corporation, 2005

What happens if you are denied credit?

If you have been denied credit, or did not get the rate or credit terms you want, ask the creditor if a credit scoring system was used. If so, ask what characteristics or factors were used in that system, and the best ways to improve your application. If you get credit, ask the creditor whether you are getting the best rate and terms available and, if not, why. If you are not offered the best rate available because of inaccuracies in your credit report, be sure to dispute the inaccurate information in your credit report. Our agency can help you through this process in classroom or confidential counseling sessions.