

WHY IS **GOOD CREDIT** IMPORTANT?

- Credit card applications
- Rental applications
- Better loan terms
- Insurance applications
- Mortgage terms
- **AND MUCH MORE!**



PAY ON TIME

- MORE READILY APPROVED FOR LOANS
- OFFERED LOWER INTEREST RATES
- GIVEN A HIGHER CREDIT SCORE

WHAT IS CREDIT?

ANY ARRANGEMENT IN WHICH YOU RECEIVE GOODS, SERVICES, OR MONEY IN EXCHANGE FOR A PROMISE TO REPAY AT A LATER DATE.

GOOD CREDIT HISTORY IS CRITICAL TO FINANCIAL STABILITY

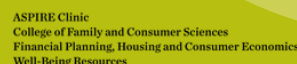
- ESTABLISH A RELATIONSHIP WITH A FINANCIAL INSTITUTION
- BE PATIENT WHEN WORKING TO IMPROVE CREDIT
- GET A FREE CREDIT REPORT EACH YEAR AT **ANNUALCREDITREPORT.COM.**



PAY LATE

- SOMETIMES DENIED CREDIT
- OFFERED HIGHER INTEREST RATES
- GIVEN A LOWER CREDIT SCORE

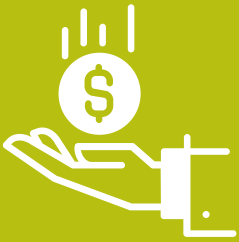
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CREDIT SCORES

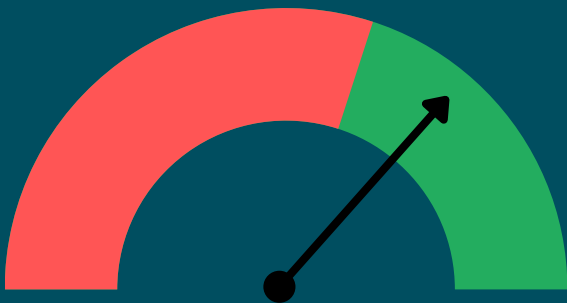
CREDIT REPORTS

- RECORD OF YOUR CREDIT HISTORY. SHOWS LENDERS HOW YOU MANAGE YOUR FINANCIAL OBLIGATIONS
- REPORTS COME FROM 3 COMPANIES: **EQUIFAX, EXPERIAN, AND TRANSUNION**
- YOU CAN CHECK YOUR REPORT FOR FREE AT LEAST ONCE EVERY YEAR



CREDIT SCORES

- FICO CREATES A STREAMLINED SCORE BASED ON CREDIT REPORTS TO HELP LENDERS DETERMINE CREDITWORTHINESS
- YOUR CREDIT WILL BUILD UP OVER TIME



WHAT AFFECTS YOUR CREDIT SCORE?

- **35%** - PAYMENT HISTORY
- **30%** - AMOUNTS OWED
- **15%** - LENGTH OF CREDIT HISTORY
- **10%** - CREDIT MIX (TYPES OF CREDIT USED)
- **10%** - NEW CREDIT

QUICK TIPS TO IMPROVE YOUR CREDIT SCORE:

1. MAKE PAYMENTS ON TIME
2. DON'T GET TOO CLOSE TO YOUR CREDIT LIMIT
3. CHECK YOUR CREDIT REPORTS TO ENSURE THERE ARE NO ERRORS
4. VISIT [CONSUMERFINANCE.GOV](https://www.consumerfinance.gov) FOR MORE INFORMATION

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