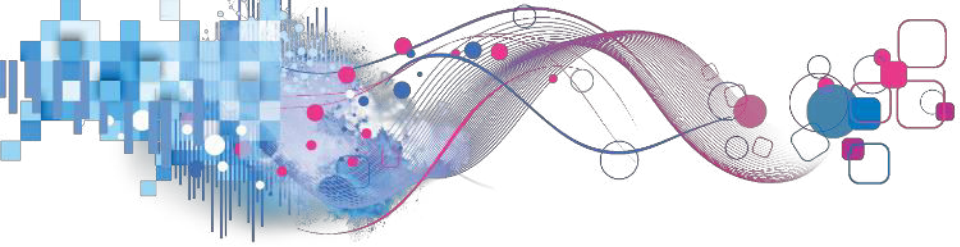


Managing your credit report





Disclaimer

The purpose of this presentation is to help you better understand credit reporting and credit scoring and to provide general information about how to actively manage your credit history.

For legal reasons, I:

- **cannot discuss issues specific to your personal credit report**
- **cannot advise individuals about how to improve their personal credit report or credit scores**
- **cannot submit disputes regarding your personal credit report on your behalf**

Information regarding Experian policies and processes is current as of the date of this presentation but may change.

Introduction

- There are **no specific rules** that apply to everyone
- However, there are **some general rules** for using credit to demonstrate you are a good credit risk
- Following these rules will enable you to **get approved and at the best terms**



RULE 1: Establish a credit report



- You need a **credit history** to get new credit
- Creditors need **financial references**, and that is what a credit report provides
- Potential options for first accounts:
 - Ask your parents to list you as a **joint user**
 - Ask your parents to **co-sign on a card** or loan in your name
 - Apply with your bank or credit union for a **secured card**



A credit report is an important financial tool for you, so don't ignore it!

- Get a copy of your report(s) soon after you begin using credit
- Check your report annually or after opening new accounts
- Check your credit history three to six months before applying for a major credit transaction
- Consider a monitoring service

RULE 2: Always pay as agreed

- Delinquency will **negatively impact** your ability to get credit
- It matters:
 - How **many payments** did you miss?
 - How **long ago** did you miss a payment?
 - Did you **totally fail to pay**?



RULE 3: Get a credit card



- Car loans and mortgages are important, but revolving credit tells more about you
- **YOU** must manage yourself:
 - Is your balance growing each month?
 - Have you “charged to the max” against your limits?
 - Do you make all payments on time?
 - Are all of the payments at least the minimum due, even though the payment amount might vary?

RULE 4: Use caution in closing accounts

- Closing unused accounts **isn't always a good thing**
- When deciding whether to close an account, **consider:**
 - The effect on your **total balance to limit** ratio
 - Negative payment history remains for **seven years**, even if an account is closed
 - A long, stable history is a **good thing** – positive, open accounts stay in your history **forever**
 - Your **ability to resist the temptation** of overcharging if you don't close the account





RULE 5: Apply for credit judiciously

- Do not apply for **multiple accounts** within a short period of time
- Recent inquiries* represent **increased risk** because they:
 - Indicate that you **opened new debt** which hasn't yet been reported
 - Suggest you might have **cash flow problems** and are seeking new credit to support your spending

* While inquiries are often listed as a risk factor, they are **rarely significant** unless other risk factors are present

RULE 6: Time is key

- You must **allow time** for updates to be reported
- Don't expect **overnight results**:
 - Creditors typically report updates to accounts **once a month**, after the end of a payment cycle
 - Closing accounts, paying down balances and paying bad debts should be done **two to three months** before applying for new credit



RULE 7: Demonstrate stability

- Other factors can indicate **financial soundness**
- For large financial transactions, lenders may **look beyond your credit history**:
 - Have you had **stable employment**?
 - Have you **moved frequently**?
 - Do you have other **assets**?



RULE 8: Have a plan

- **Be accountable** for your own decisions
- Stores don't **force you to buy** and cards don't appear on the sales counter by themselves:
 - Using credit shouldn't mean **spending more than you make**
 - Always have a plan for how **debts will be paid**
 - Always have an **emergency fund**





RULE 9: Put credit to work for you

- Enjoy the **privilege of credit!**
- Because of our **strong credit economy**, Americans have:
 - High rates of **home ownership**
 - Low interest rates
 - **Convenient** shopping
 - Opportunities to participate in **reward programs**
 - Aids in tracking expenses

RULE 10: Share your knowledge

Teach your children **EARLY** about the value of money and credit



Resources

Free annual FACT Act credit report

➤ www.AnnualCreditReport.com

- Access to free report from each of the three credit reporting companies

Experian

➤ www.Experian.com/credit_education

- Ask Experian advice column, sample consumer report, frequently asked questions

➤ Experian Credit Educator: 877-901-6909

- Personalized review and guidance about your credit report and score by an Experian professional for a nominal fee.

➤ www.FreeCreditScore.com

- Access to credit monitoring and unlimited Experian credit reports and scores

➤ www.VantageScore.experian.com

- Purchase a scored report and learn about scores

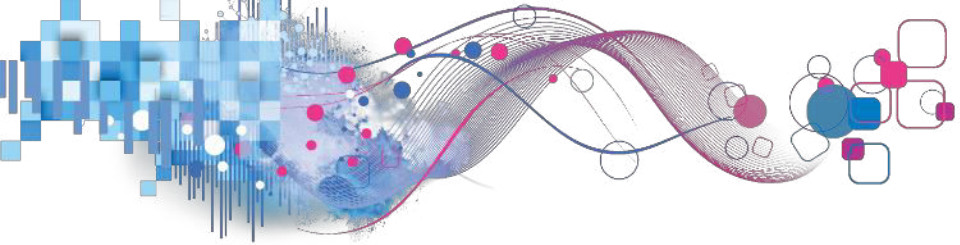
➤ www.AutoCheck.com

- Vehicle history reports to help consumers ensure they make good pre-owned auto purchasing decisions

Education partners

- www.lifesmarts.org
- www.jumpstart.org





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