CREDIT

A Financial Beginnings Financial Education Program

iQ CREDIT UNION®

CREDIT

SESSION OBJECTIVES

In today's economy, it would be rare not to use credit to pay for large purchases, such as car repairs or any type of emergency situation. Credit can be an overwhelming topic, but understanding credit is critical for managing one's finances responsibly, as credit can affect many aspects of your life.

By the end of this session you will:

- Understand what credit is, how it works, and why you need it.
- Understand the different ways of establishing credit.
- Know your responsibilities as a borrower.
- Understand how to monitor credit using a credit report and credit score.
- Understand loans and credit cards and how to borrow responsibly.

SUBJECT INDEX

WHAT IS CREDIT?

Credit is the ability to borrow money or obtain goods by paying little or no money at the time of purchase and then paying back the money in the future, many times by making payments over time. Very few people can go through life without borrowing money. This is especially true for large purchases. Many people do not have enough cash to pay for larger purchases all at once, like a house or a car. It would take many years to build up the savings required for such large purchases, so credit is used instead.

Credit allows you to promise to pay the original cost at a later date or over time. The advantage to the person or institution lending you money is that you promise to pay back the amount you borrowed *plus interest*.

You need to make sure to always have a plan for repaying any money that is loaned to you plus the interest. As we will see, interest payments often add up to much more than the amount you originally borrowed. Often, people take out loans by looking at whether they can cover the monthly payment with their salary. While this is important, it is also important to determine the full cost of the purchase (including interest) and how long it will take to pay off. If you cannot foresee a time when you are going to pay off the debt, then you need to take a hard look at whether you should be obtaining it.

WHY DO YOU NEED CREDIT?

Your credit history can affect you in several different ways:

Buying a home

Few individuals save up enough to pay cash for a home; therefore, it is necessary to acquire a mortgage for purchasing the home. Having good credit is vital in not only securing a home loan, but also in determining how much you will pay in interest over the life of the loan. Even as little as ½ of a percent higher interest rate due to poor credit can cost you thousands of dollars over the life of the loan.

Getting a job

Some jobs require a credit check before offering you employment. As of 2010, employers in Oregon and Washington may only check your credit for specific financial jobs. Before accessing your credit they need to get your (the applicant) consent, provide you with a warning that they will reject employment on the basis of the score, and provide an official adverse action notice if you are not hired due to the contents on the report.
(**SOURCE:** Fair Credit Reporting Act)

Getting phone service

Cell phone providers will check your credit before offering you phone service.

Renting an apartment

Landlords are allowed to check your credit as part of the application process and can deny you rental housing if you have poor credit - even if you have had perfect rental history and have an adequate salary.

Financing an automobile

Even buying a used car often involves financing. Be wary of dealerships that say they offer financing to anyone. Many times the loans they offer have much higher interest rates than what is in the best interest of the borrower.

Qualify for insurance

You would not think that how you pay your bills would affect how much you pay for insurance, but it does. Your homeowner's/renter's insurance rate and automobile insurance rate can be affected by your credit.

Obtain a credit card

All credit card companies will check your credit history to determine if you are eligible for a credit card and determine what your credit limit should be. Even if you are granted a credit card, your credit history will still affect your interest rate and fees for that credit card.

ESTABLISHING CREDIT

Obtaining credit is much harder now than it has been in years past. In the past, the only requirement to qualify for a credit card was to be at least 18 years old and have a pulse. Credit card companies would give a credit card to just about anyone. In recent years, lending has tightened up, especially for teenagers. Under the Credit Card Accountability, Responsibility and Disclosure Act of 2009, you have to be at least 21 years old to qualify for a credit card without a co-signer or verifiable income. Teens can still apply for a credit card once they are 18, but to qualify, they need to either have their parents or guardian co-sign or have a job. In order for a new borrower to establish a credit account you may have to:

- **Turn to a company you already have a relationship with.** If you already have an established relationship with a bank or a credit union they are more likely to extend credit to you.

- **Obtain a co-signer**. Finding someone who already has established good credit to co-sign on the loan with you can help you to get approved. Still, be aware that this is a big responsibility. A co-signer is just as responsible for the loan as you are. If you fail to make a payment, the co-signer is responsible for it. If you pay the account late, then it can negatively affect the co-signer's credit also.
- **Obtain a secured credit card** - A secured credit card can be a good way to show that you can be a responsible borrower. You set funds aside with the credit card company in an account, and if you do not make your payments, the company can take the funds from the account to pay what is due.

Be sure that when you do establish a credit account you use it responsibly! Make your payments on time and only use credit when appropriate. As time goes on, you will find it much easier to obtain other credit accounts if you use your existing accounts responsibly and begin building a healthy credit history.

WHY WOULD CREDIT BE DENIED?

No credit history
Would you loan money to somebody you did not know? What is his or her track record of paying back borrowed money? Has he or she been prompt and responsible about making payments? If you have no credit history, then a bank or other potential lender knows nothing about you. They do not want to risk loaning money to somebody they know nothing about. It is important to establish credit early so that you have a history.

Too much outstanding credit
There is a limit to how much money institutions will loan you. If you already have a lot of credit outstanding (car loan, credit card balances, and so forth) compared to your means (salary, savings), it may be very difficult to obtain additional credit. This is another reason it is important to always have a plan for repaying loans.

Credit not handled responsibly in the past
If you have not been responsible in managing your credit in the past, such as failing to make payments on time, it will be reflected in your credit report and rating.

BORROWER'S RESPONSIBILITIES

Borrow only what you can repay
As stated before, you should always have a plan for repaying loans. People can get into financial trouble when they borrow money and only focus on the monthly payment. As a result, they continue to borrow more money until they are heavily in debt. Then when something unexpected happens, such as a job loss, an illness, or another unexpected expense, they are not able to pay their bills and their credit score drops, affecting their ability to receive any credit or loans in the future.

Read and understand the credit contract
Be sure you understand the credit contract. Loans now require more and more paperwork and many times people will blindly sign a contract without knowing what terms they are agreeing to. Make sure you can answer the following questions before signing any contract:

- What is the interest rate charged?
- When are payments due each month?
- How long is the loan period?
- What happens if I pay late?
- Is there a grace period for making late payments?

Pay debts promptly
You can quickly hurt your credit rating if you do not pay your bills on time. Be sure that you have a plan each month and have enough money in your account to meet your obligations. If you are going to be out of town for an extended period of time, you may want to pay some of your bills in advance or make other arrangements. Many times you can schedule future payments or reccurring payments to be withdrawn from your bank account automatically on a set date.

If you do miss a payment, your credit will not be immediately affected. Payments are not reported to the credit reporting agencies until they are over 30 days past due. For example, if your payment is due on the 15th of June, it will not be reported as late until the 15th of July and by that time you would be two payments behind.

Notify creditors if you cannot meet payments
If you find yourself in a position where you cannot meet the payments on your debts, it is always best to call your creditors (bank, credit union, credit card companies, etc.) and tell them about your situation. In many cases, they will

work with you to develop a plan for payment. Do not expect them to forgive the debt, but they do have different plans that can help you and many times can save you from receiving negative marks on your credit. They will probably charge some additional interest or fees, but this is much better than simply not making the payment.

Report lost or stolen credit cards promptly

As long as you notify your credit card company promptly of a lost or stolen card, the most you can be responsible for is $49. Usually they will not hold you responsible for any fraudulent charges that arise from your card being lost or stolen.

Victim of fraud?

Credit card fraud is the worst nightmare for many people whose financial well-being depends upon a good credit history. In order to protect yourself from possible permanent financial damage, you must know what steps to take in order to properly report a case of credit card fraud.

Immediate steps:

- Place an initial fraud alert on your credit report. It is important to let the major credit reporting agencies know that you have been a victim of fraud in order to try to avoid further fraudulent activities. You only need call one of the agencies (TransUnion, Experian or Equifax) and they are then required to notify the others.
- Order your credit reports. Utilize annualcreditreport.com to pull your credit reports. This will allow you to identify additional fraud you did not know about.
- File an identity theft and police report. Go to www.ftc.gov/idtheft and create an identity theft report, which will provide all the details of the fraud. You can then use this report to file a police report, which you will likely need in order to correct any charges or negative credit marks that resulted from the fraud.
- Monitor your progress
- Keep track of all your communications.
- Create a filing system for ease of future reference.
- Utilize communication tracking, such as certified mail, if needed.
- Be sure to follow any deadlines set by creditors.

★ CREDIT REPORTS

Credit reporting agencies

Whenever you use credit, the creditor most likely will report information about you to the three major credit reporting agencies Experian, Equifax and TransUnion. These agencies create a database of information about you to help potential lenders determine if they should loan money to you.

In addition to information from your creditors, public records may provide information about bankruptcy, settlements, or other legal actions against you.

Finally, a record is kept of everybody who is requesting your report.

How do I get a copy of my credit report?

www.AnnualCreditReport.com
Equifax:1-800-685-1111; equifax.com   Experian: 1-888-397-3742; experian.com
TransUnion: 1-800-916-8800; transunion.com

You will need to provide:

full name, Social Security number, addresses (two to five years), date of birth

Be wary of other companies that claim to provide free credit reports. Though it seems these services should be free based on their name, they actually require you to sign up for a subscription, which is usually around $15 per month, in order to get the “free” credit report.

You can get more than one free report each year! Here’s how:

- You are entitled to one report each year from each of the three major credit-reporting agencies (Equifax, TransUnion and Experian). A total of three free credit reports per year!
- You are denied credit.
- You are unemployed.
- You have been a victim of fraud.

What do I do when I have my report?

- Check it carefully.
- Look for accounts that may not be yours.
- Verify all credit limits/balances.
- Make sure accounts you've closed say "Closed at consumer's request".

You have the right to:

- See what is in your report.
- An accurate report.
- Have mistakes corrected.
- Tell your side of the story.
- Know who has seen your report.

While you have the right to accurate information in your report, you do not have the right to immediately "make things right." For example, if you are behind on your payments, don't expect to be able to catch up and clear up your credit report immediately. Negative marks on your credit can show for up to seven years.

When individuals cannot pay their debts they may need to file for bankruptcy. Filing for bankruptcy will appear on your credit history for 10 years. Though bankruptcy does wipe out most debt obligations it does not relieve them all. Student loan debt, taxes, child support and alimony debt cannot be discharged through bankruptcy.

★ CREDIT SCORES

What is a credit score?

The credit reporting agencies function as reporters. Their job is to gather information and report it out. The credit scoring systems are separate from the credit reporting agencies. The credit scoring companies take the information from the credit reports and compute a score using factors that weight the various elements in the credit report. Credit scores range from 300-850. The higher the score the more attractive you are as a borrower.

How do I find out my credit score?

- Obtain your score at the same time as your credit report from one of the three credit reporting agencies.
- Visit all three reporting agencies or Fair Isaac Corporation (a credit scoring company).
- You can obtain a few credit score estimates by using myfico.com credit score estimator.

You may find that your credit score varies depending on which credit agency you have used. Some people obsess over what their credit score is, and overlook what the credit report indicates. The opposite is actually more important. Keep track of your credit report and make sure that the information being reported is accurate. Your credit score is a result of your credit report information.

★ WHAT MAKES UP YOUR CREDIT SCORE?

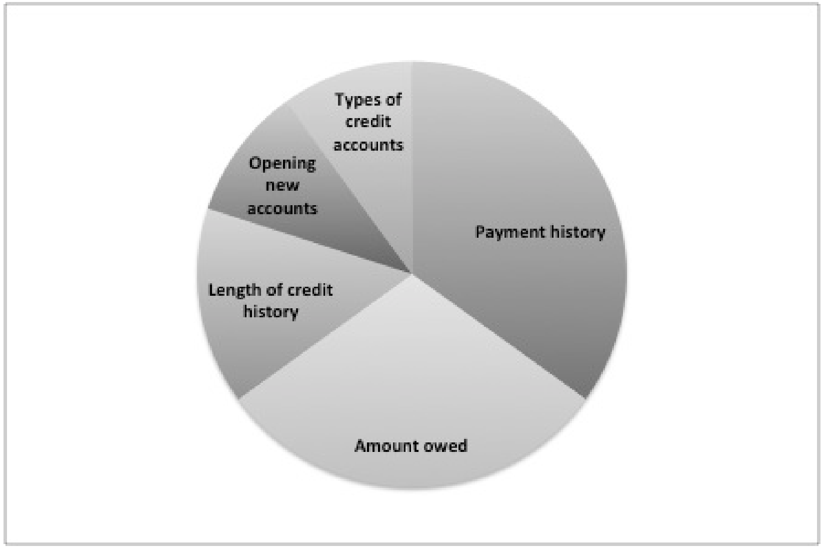
Payment history—35%
How have you paid on your accounts? On time? Late? Anytime you pay a bill over 30 days late it is reported to the credit reporting agencies and can lower your credit score. You have to be over 30 days late for it to be reported so if you are only a few days late or a mistake is made it will not negatively affect you.

Amount owed—30%
How much do you owe compared to your credit limit? If you owe close to your limit on your credit cards then it can negatively affect your credit. It is a good rule of thumb to keep your credit cards below 67% of their limit and even better below 50%. If you have several credit cards that are near their limit or “maxed out” then it can look to the creditors as if you are overextended.

Length of credit history—15%
The more positive history you have, the better for your credit score. This is why it is important to start building positive credit history early on so you can demonstrate that over a long period of time you were responsible for your credit.

Opening new accounts—10%
If you open several new accounts in a short period of time it can send up a red flag because it can look like you are over extended and needing the money.

Types of credit accounts—10%
Showing a healthy balance of revolving credit, installment loans, mortgages and more can help show that you are capable of maintaining several different types of accounts responsibly.



What if I have a good credit score but make some mistakes?
Unfortunately, when you make credit mistakes you are subject to a lower credit score. Depending on how severe the mistake is, you may be facing a downgrade of 25 points to 240 points in your credit score! Check the list below to see how your credit can be affected if you don’t handle your finances responsibly.

Mistake	Downgrade	New Score
Maxed out credit card	25-45	735-755
30-day-late payment	90-110	670-690
Debt settlement	105-125	655-675
Foreclosure	140-160	620-640
Bankruptcy	220-240	540-560

Credit profile: Sasha

Sasha has always been frugal and has saved up her money for a down payment on a beautiful condo near her job. The condo will cost $250,000 and Sasha has saved enough to pay 20% down and all the fees associated with the sale. She visits the bank and finds out that she is approved for a loan for the remaining $200,000, and based upon her good credit, will only have to pay a 6% interest rate.

Sasha is very happy until they tell her the monthly payment will be $1,200 for the next 30 years. She quickly multiplies $1,200 times 30 years times 12 months in a year and it comes to $432,000 to pay off a $200,000 loan! *How can this be?*

Sasha would like to calculate this out for herself, but does not understand how interest works. Let's work through the first month's payment and see how this works.

Annual interest rate = 6%/year. *The monthly interest rate (annual rate / 12) is:* ______

How much interest is included in her first payment: *(monthly interest rate x $200,000):* ______

How much of her first payment goes to pay off the loan (payment—interest): ________

How would you calculate the second month?

How interest works:

Like Sasha, if you were buying a house you might need to borrow $200,000 or more through a home mortgage (loan) from a bank or credit union. In order to make the monthly payment on the loan affordable, individuals usually take 30 years to repay it. Based upon this, the bank would determine the interest rate you need to pay (6% in this example) and would calculate your monthly payment ($1,199.10).

Every month, you would pay this amount to the bank or credit union. At first, the payment would almost entirely be for the interest, but over time you would gradually reduce the amount you owe the mortage company (loan balance). Because the amount you owe decreases over time, the amount of interest in each payment also decreases.

The following table shows how this would work with the above example. In general, it takes about ⅔ the length of the mortgage to pay off half of the original loan amount. You will also notice that you pay more in interest than the original loan. Getting the best interest rate possible (largely determined by your credit score) is important to reduce the amount of interest and your monthly payment.

Time	Total Paid	Total Interest	Loan Balance
5 years	$71,946	$58,055	$186,109
21 years	$302,173	$202,051	$99,877
30 years	$431,676	$231,676	$0

Example of the impact of interest

Let's use the example of buying a new car. Assume the car will cost $20,000 and you want a loan to pay for it over three years. Your credit score will have a great impact upon the interest rate that you will pay on this loan. If you have a lower score, you will pay a much higher interest rate. This, in turn, means a higher monthly payment and you will pay much more over the course of the three years. In the following example, a person with excellent credit will pay $1,901 in interest over three years while a person with poor credit will pay $6,290.

3 Year - Auto Loan - $20,000			
FICO Score	**Interest Rate**	**Monthly Payment**	**Total Interest Paid**
720-850	6%	$608	$1,901
690-719	7.6%	$623	$2,430
660-689	9.6%	$642	$3,096
620-659	13.4%	$678	$4,391
590-619	18.1%	$724	$6,077
500-589	18.7%	$730	$6,290

Payday loans

Payday loans are essentially short-term loans. You write a check for the loan to the payday lender, they hold it until a specified time in the future and then cash the check. Payday loans were originally set up to help people who needed emergency money before their next paycheck. Because their credit rating was poor, they often could not get a loan from a bank. Instead of going to a loan shark, they were able to go to a payday loan outlet and get a very short-term loan to help them until their next paycheck.

Interest rates and fees were very high, but if used in a true emergency, it was a valuable service. The difficulty for some people is that they get in the habit of obtaining loans on a regular basis. Each loan renewal covers their previous loan and they are locked into a cycle of increasing debt and very high fees.

In 2007, Oregon law was changed and set the maximum interest rate a company can charge at 36% per year, with loan fees of 10% of the loan amount up to a maximum of $30. In Washington, the maximum fee is 15% on the first $500 and 10% above $500. Note this is a fee and not an annual percentage rate.

★ CREDIT CARDS

Successfully managing a credit card account is an important skill that will help you manage your financial future. Used improperly, credit cards can tie you down with high monthly payments that will prevent you from realizing your dreams. Used properly, they can help you achieve them. Credit cards simplify purchase transactions, provide protection from financial fraud, and help build your credit score. Still, being responsible for a credit card leads many down the path of temptation. Why wait to buy something until you have the money when you can have it now by "charging it?".

A good rule of thumb to live by is "you have to make a plan for paying off debt before acquiring it". It's important to understand the true cost of items after interest is charged and how racking up too much credit card debt can take you down a path that leads to great frustration and financial ruin.

What if I make the minimum payment on my credit card?

The minimum payment is the least amount you must pay each month to avoid a late fee and keep the account in good standing. Legislation that went into effect in 2010 requires credit card companies to disclose how long it will take to pay off the balance if you just make the minimum payment. The tricky part of this legislation is that the information appears on the credit card statement. Many people do not look at the statement because they manage their accounts online. In order to find this information, you must log in and download your monthly statement in order to see how long it will take for you to pay off the balance if only making the minimum payment as well as what your total cost will end up being including interest. Paying only the minimum payment is one of the biggest mistakes people make with their credit because the minimum pays off very little of the actual balance on the card.

The minimum payment looks very appealing, especially to people who are just starting out. If you need a computer for school, for example, you could charge it on your credit card and then just make the minimum payment. This usually looks very affordable (generally interest plus 1% of the balance) and easily fits within your paycheck. But you will be paying for many years to come, since most of your payment goes to interest. As you charge more items in the future, the minimum payment will increase and you will lock yourself into a long-term debt cycle. Once again, always have a plan for paying off a debt, not just meeting the monthly payment.

Credit Profile: Steve

Steve cannot figure out why he is so far in debt. He graduated from high school, got a job at the local grocery store, and opened a credit card. Each month when he gets his bill, he always makes the minimum payment on time. Yet the balance on his card keeps growing. He is very frustrated and could use your help.

Steve's credit card has an annual interest rate of 18%. The minimum payment is 4% of the current balance. Right now, Steve's balance has grown to $2,500. Let's see how the minimum payment helps Steve pay off his balance:

Minimum payment = *4% of the balance ($2,500) =* _________

Monthly interest rate = *Annual rate / 12 =* _________

Interest for the month = *Monthly interest x balance ($2,500) =* _________

Credit card balance paid off = *Minimum payment – monthly interest =* _________

How long do you think it will take Steve to pay off this balance if he makes the minimum payment and charges nothing else?

How Can Steve Help Himself?

How much faster could we pay the debt off? The following table shows this purchase with the minimum payment, $150 per month, and $200 per month.

The difference in the total amount paid and the time to pay off the balance is amazing. By increasing the payment to $150, we decreased the time to pay off the loan by 5 1/2 years! The total amount paid is decreased by $890.

The key is to have a plan. If you cannot foresee when you are going to pay the item off, then you should ask yourself, "Do I really need to purchase this now on credit?"

Item	Price	APR	Payment	Interest Paid	Real Cost	# of Payments	Total Years to Pay Off
Steve	$2,500	18%	Minimum	$1,289	$3,789	87	7.1 years
Steve	$2,500	18%	$150	$399	$2,899	20	1.6 years
Steve	$2,500	18%	$200	$289	$2,789	14	1.2 years

Paying the minimum payment not only increases the total number of payments it takes to pay off the debt but it increases the real cost of the product significantly.

Credit Profile: Ava

Ava, 24, recently graduated from a state university. During her college years, Ava had four credit cards and used them to buy many items for which she could not afford. Often Ava was late with the payments on her card by a few days. A couple of times she missed payments entirely and paid it 60 days after it was due.

When Ava left college, she had combined balances of $3,000 on her credit cards.

Ava works at a bank, earning $50,000 a year. She learns that she could finance her own one-bedroom condominium for about the same amount she pays in rent each month.

Ava has a $30,000 inheritance from her grandmother that she can use as a down payment on a condo. After looking at places for a month or two, Ava finds a $125,000 condo that she wants to buy. She fills out all the paperwork required by the mortgage lender and waits to hear if she is going to get the home loan.

Do you think Ava will get her mortgage?

In what ways could Ava have handled her credit more responsibly?

LENDING TERMINOLOGY

Annual Percentage Rate (APR)—The APR is the rate of interest you are charged, expressed as a yearly rate. If you plan to keep a balance on your credit card account, you want to look for a low APR. If you expect to pay your bills in full each month, it will be more important to compare the annual fee and other charges.

Fixed-rate loan—The APR on a fixed-rate loan is set when the loan is opened and remains the same through the entire term of the loan and does not change when market indices or other interest rates fluctuate.

Variable-rate loan—The APR on a variable-rate loan can change when market indices or other interest rates fluctuate.

Finance charge—The finance charge is the cost of credit. It includes interest, service charges, and transaction fees. This charge is calculated on your balance using different methods.

Collateral—Assets pledged by a borrower to secure a loan or other credit.

Secured loan—A loan guaranteed by something of value (collateral) such as a house, automobile or securities. If you fail to pay the loan, the lender has the right to take the collateral.

Revolving credit—Open-ended loans allow an individual to borrow money over and over. A credit card would be an example of an revolving credit. You are being extended a line of credit, with a limit, that allows you to borrow money and pay it back periodically.

Installment loan—Closed-ended loans typically have an ending date (e.g., 5, 7, or 30 year loans). As a borrower you make payments that pay down the balance over the lifespan of the loan. If you need more credit you would have to apply for a new loan. Examples of closed-ended loans would be mortgages and car loans.

Unsecured loan—Unsecured loans do not require an asset to be used as collateral. The borrower's credit history, score and income level are the usual determining factors as to whether they can take out this particular type of loan. Unsecured loans usually have a higher interest rate, because the lender is taking on more risk by lending out money without a collateral backing.

Conventional loan—Conventional loans are loans that are not guaranteed or insured by the federal government. The most common types of conventional loans are mortgages.

What is credit, how does it work, and why do you need it?

Credit is the ability to borrow money or obtain goods by paying little or no money at the time of purchase. Credit allows you to spread out payments over time for expensive items. Your credit history can affect you in a number of different ways: buying a home, getting a job, getting phone service, renting an apartment, financing an automobile, qualifying for insurance, and obtaining a credit card.

How can you establish credit?

Obtaining credit is much harder now than it has been in past years. In order for a new borrower to establish a credit account, you may have to look to a company you already have a relationship with, obtain a co-signer, or use a secured credit card.

What are your responsibilities as a borrower?

Borrow only what you can repay. People get into financial trouble when they borrow money and only focus on the monthly payment. In addition, you should read and understand the credit contract, pay debts promptly, notify your creditor if you cannot meet payments, and report lost or stolen credit cards promptly. Protect yourself from fraud by keeping your personal information secret.

How can you monitor your credit using a credit report and score?

Whenever you use credit, the creditor will most likely report information about you to the three major credit reporting agencies - Equifax, Experian and TransUnion. You can get a free copy of your credit report each year from each reporting agency at www.annualcreditreport.com.

Your credit score is based on the information in your credit report. The most commonly used score is compiled by the Fair Isaac Corporation (FICO). Your credit score is calculated based on the following: payment history, amount owed, length of credit history, opening new accounts, and types of credit accounts.

How do loans and credit cards work?

For a loan, the borrower initially receives or borrows an amount of money, called the principal, from the lender, and is obligated to repay an equal amount of money, plus interest, to the lender over time. Typically, the money is paid back in regular monthly payments.

Credit cards are revolving debt. You are approved for a credit limit. As you borrow and repay, you can borrow again up to the credit limit. The type of credit card you choose or for which you are approved will depend on your individual situation. A low minimum payment looks very appealing, especially to people who are just starting out, but you will be paying for many years to come, since most of your payment goes towards interest.

APPENDIX A: Sample Credit Report

experian

Online Personal Credit Report from Experian for

Experian credit report prepared for
JOHN Q CONSUMER
Your report number is
1562064066 1
Report date:
04/24/2007

Index:
- Potentially negative items
- Accounts in good standing
- Requests for your credit history
- Personal information
- Important message from Experian
- Contact us

2

Experian collects and organizes information about you and your credit history from public records, your creditors and other reliable sources. Experian makes your credit history available to your current and prospective creditors, employers and others as allowed by law, which can expedite your ability to obtain credit and can make offers of credit available to you. We do not grant or deny credit; each credit grantor makes that decision based on its own guidelines.

To return to your report in the near future, log on to www.experian.com/consumer and select "View your report again" or "Dispute" and then enter your report number.

If you disagree with information in this report, return to the Report Summary page and follow the instructions for disputing.

Potentially Negative Items 3 back to top

Public Records

Credit grantors may carefully review the items listed below when they check your credit history. Please note that the account information connected with some public records, such as bankruptcy, also may appear with your credit items listed later in this report.

MAIN COUNTY CLERK

Address:
123 MAINTOWN S
BUFFALO , NY 10000

Identification Number:
1

Plaintiff:
ANY COMMISSIONER O.

Status:
Civil claim paid.

Status Details:
This item was verified and updated on 04-2007.

Date Filed: 10/15/2006
Claim Amount: $200
Date Resolved: 03/04/2007
Liability Amount: NA
Responsibility: INDIVIDUAL

Credit Items

For your protection, the last few digits of your account numbers do not display.

ABCD BANKS

Address:
100 CENTER RD
BUFFALO, NY 10000
(555) 555-5555

Account Number:
1000000....

Status: Paid/Past due 60 days. 4

Date Opened: 10/2006
Type: Installment
Reported Since: 11/2006
Terms: 12 Months
Date of Status: 04/2007
Monthly Payment: $0
Last Reported: 04/2007
Responsibility: Individual

Credit Limit/Original Amount: $523
High Balance: NA
Recent Balance: $0 as of 04/2007
Recent Payment: $0

Account History:
60 days as of 12-2006
30 days as of 11-2006

Report number:

You will need your report number to contact Experian online, by phone or by mail.

Index:

Navigate through the sections of your credit report using these links.

Potentially negative items:

Items that creditors may view less favorably. It includes the creditor's name and address, your account number (shortened for security), account status, type and terms of the account and any other information reported to Experian by the creditor. Also includes any bankruptcy, lien and judgment information obtained directly from the courts.

Status:

Indicates the current status of the account.

If you believe information in your report is inaccurate, you can dispute that item quickly, effectively and cost free by using Experian's online dispute service located at:

www.experian.com/disputes

Disputing online is the fastest way to address any concern you may have about the information in your credit report.

MAIN COLL AGENCIES

Address:	Account Number:	Original Creditor:
PO BOX 123 ANYTOWN, PA 10000 (555) 555-5555	0123456789	TELEVISE CABLE COMM.

Status: Collection account. $95 past due as of 4-2000.

Date Opened: 01/2005	Type: Installment	Credit Limit/Original Amount: $95
Reported Since: 04/2005	Terms: NA	High Balance: NA
Date of Status: 04/2005	Monthly Payment: $0	Recent Balance: $95 as of 04/2005
Last Reported: 04/2005	Responsibility: Individual	Recent Payment: $0

Your statement: ITEM DISPUTED BY CONSUMER

Account History:
Collection as of 4-2005

Accounts in Good Standing

5

Accounts in good standing:

Lists accounts that have a positive status and may be viewed favorably by creditors. Some creditors do not report to us, so some of your accounts may not be listed.

back to top

AUTOMOBILE AUTO FINANCE

Address:	Account Number:
100 MAIN ST E SMALLTOWN, MD 90001 (555) 555-5555	12345678998....

Status: Open/Never late.

6

Type:

Account type indicates whether your account is a revolving or an installment account.

Date Opened: 01/2006	Type: Installment	Credit Limit/Original Amount: $10,355
Reported Since: 01/2006	Terms: 65 Months	High Balance: NA
Date of Status: 04/2007	Monthly Payment: $210	Recent Balance: $7,984 as of 04/2007
Last Reported: 04/2007	Responsibility: Individual	Recent Payment: $0

MAIN

Address:	Account Number:
PO BOX 1234 FORT LAUDERDALE, FL 10009	1234567899876

Status: Closed/Never late.

Date Opened: 03/1997	Type: Revolving	Credit Limit/Original Amount: NA
Reported Since: 03/1997	Terms: 1 Months	High Balance: $3,228
Date of Status: 08/2006	Monthly Payment: $0	Recent Balance: $0 /paid as of 08/2006
Last Reported: 08/2006	Responsibility: Individual	Recent Payment: $0

Your statement:
Account closed at consumer's request

APPENDIX B: Credit Card Comparison

The information below will help you to compare terms on different credit cards. It is important to have a full understanding of the terms before signing a contract.

	Card A	Card A	Card A
Card Name			
Interest Charges			
Annual Percentage Rate (APR) for Purchases			
APR for Transfers			
APR for Cash Advances			
Penalty APR and When it Applies			
Paying Interest			
Minimum Interest Charge			
Fees			
Annual Fee			
Transfer Fee			
Cash Advance Fee			
Late Payment			
Over-The-Credit Limit Fee			
Returned Payment Fee			
Rewards			
Cash Back Percentage			
Outline of Other Rewards			

CREDIT UNION®

iQcu.com

360.695.3441

Federally insured by NCUA