

CREDIT REPORTS AND SCORES



Advanced Level

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RECOMMENDED GRADE LEVELS	AVERAGE TIME TO COMPLETE	EACH LESSON PLAN IS DESIGNED AND CONTINUALLY EVALUATED "BY EDUCATORS, FOR EDUCATORS." THANK YOU TO THE FOLLOWING EDUCATORS FOR DEVELOPING COMPONENTS OF THIS LESSON PLAN.
10-12	<p>Anticipatory Set & Facilitation: 110 minutes</p> <p>Conclusion/Assessment Options: 15-45 minutes</p> <p><i>Time does not include the vocabulary activity or potential modifications.</i></p>	<ul style="list-style-type: none"> ▪ Glenda Seward, Family and Consumer Sciences Educator, Wellman, Iowa ▪ Priscilla Hedgecock, retired teacher, Montana

NATIONAL STANDARDS	LESSON PLAN OBJECTIVES
<p>The curriculum is aligned to the following national standards:</p> <ul style="list-style-type: none"> ▪ National Standards for Financial Literacy ▪ American Association of Family and Consumer Sciences ▪ Council for Economic Education ▪ National Business Education ▪ National Jump\$tart Coalition ▪ Common Core English Language Arts 	<p>Upon completion of this lesson, participants will be able to:</p> <ul style="list-style-type: none"> ▪ Summarize the information included in a credit report ▪ Explain how a credit score is calculated ▪ Compare a credit score and a credit report ▪ Evaluate the consequences of having negative credit history ▪ Recommend strategies for developing a positive credit history ▪ Explain how to obtain credit reports and credit scores ▪ Describe steps to correct a mistake on a credit report

MATERIALS		
MATERIALS PROVIDED IN THIS LESSON PLAN	MATERIALS SPECIFIC TO THIS LESSON PLAN BUT AVAILABLE AS A SEPARATE DOWNLOAD	MATERIALS TO ACQUIRE SEPARATELY DEPENDING ON OPTIONS TAUGHT
<ul style="list-style-type: none"> ▪ Credit Reports and Scores worksheet 2.6.1.A1 ▪ Caroline Blue's Credit Report Worksheet 2.6.1.A2 ▪ Isabella's Combined Credit Report Worksheet 2.6.1.A3 ▪ Credit Reports and Scores Jingle Rubric 2.6.1.B1 ▪ Credit Reports and Scores Comic Rubric 2.6.1.B2 ▪ Credit Reports and Scores Vocabulary List 2.6.1.E1 ▪ Isabella Langley's Story and Credit Report 2.6.1.E2 	<ul style="list-style-type: none"> ▪ Credit Reports and Scores PowerPoint Presentation 2.6.1.G1 ▪ Spending and Borrowing Multiple Choice Test Bank and Answer Key 2.6.0.M1 & C1 	<ul style="list-style-type: none"> ▪ Index cards ▪ Timer ▪ Butcher paper ▪ Printed news article or infographic ▪ Markers

Material List Continued on Page 2

<ul style="list-style-type: none"> ▪ Comic Strip Example 2.6.1.E3 ▪ Caroline Blue’s Credit Report 2.6.1.E4 ▪ Isabella’s Combined Credit Report 2.6.1.E5 ▪ Credit Reports and Scores Information Sheet 2.6.1.F1 ▪ What You Do Makes a Difference Cards 2.6.1.H1 ▪ Credit Reports and Scores Note Taking Guide 2.6.1.L1 		
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RESOURCES

EXTERNAL RESOURCES

External resources referenced in this lesson plan:

Videos:

- What’s My Score - A Rock Star’s Credit Score www.whatsmyscore.org/contest/videos.php
- Consumer Jungle - Code Red and Credit Promo <http://consumerjungle.org/contests/give-yourself-some-credit>

Other resources:

- “How credit scores work, how a score is calculated,” Bankrate.com: www.bankrate.com/brm/news/credit-scoring/20031104a1.asp
- “What You Need to Know: New Credit Card Rules...”, Federal Reserve Board: www.federalreserve.gov/consumerinfo/wyntk_creditcardrules.htm
- AnnualCreditReport.com: www.annualcreditreport.com
- MyFICO Credit Education Center: www.myfico.com/CreditEducation/CreditScores.aspx
- Experian Credit Education www.experian.com/credit-education/credit-information.html

TAKE CHARGE TODAY RESOURCES

Similar lesson plan at a different level:

- None available

Optional lesson plan resources:

- News Headline Active Learning Tool 3.0.54
- Taboo® Active Learning Tool 3.0.28
- Vocabulary Reinforcement Activities 3.0.36
- Money World Squares Active Learning Tool 3.0.11
- Technology Integration Options Active Learning Tool 3.0.50

CONTENT

EDUCATOR MATERIALS

- Materials to support educators when preparing to teach this lesson plan are available on the Take Charge Today website.

PARTICIPANT READING

- Credit Reports and Scores Information Sheet 2.6.1.F1

LESSON FACILITATION

PREPARE

Visual indicators to help prepare the lesson

INSTRUCT



Instructions to conduct the lesson facilitation



CUSTOMIZE

Potential modifications to lesson facilitation

VOCABULARY ACTIVITY

Forehead Detective

 <p>Approximate time: 10 minutes prior to instruction and 15 minutes at the end</p> <p>Materials to prepare:</p> <ul style="list-style-type: none"> ▪ 1 <i>Credit Reports and Scores Vocabulary List 2.6.1.E1</i> ▪ Optional: 1 <i>Credit Reports and Scores Information Sheet 2.6.1.F1</i> per participant ▪ Index cards, one for each vocabulary word used <p>Before instruction:</p> <ol style="list-style-type: none"> 1. Divide participants into groups of 2-3. 2. Identify vocabulary words participants may struggle with from the <i>Credit Reports and Scores Vocabulary List 2.6.1.E1</i> 3. Write the terms on the board. <ol style="list-style-type: none"> a. Optional: Have participants create their own vocabulary list by scanning their <i>Credit Reports and Scores Information Sheet 2.6.1.F1</i> and underlining any words they are unfamiliar with. 4. Ask participants to consider what they already know about the vocabulary for this lesson. Discussion points may include: <ol style="list-style-type: none"> a. How would you describe the word? b. Where have you seen or heard these words used before? <p>After instruction:</p> <ol style="list-style-type: none"> 1. Have participants write the desired vocabulary terms on an index card. 2. Play as a class or in small groups. <ol style="list-style-type: none"> a. If played in small groups, provide a set of index cards for each group. 3. Place the index cards face down. 4. One person from the group will pick up an index card and place it on his or her forehead without looking at the term on the other side. 5. That person must ask “yes and no” questions to determine what the unknown term is. The other members of the group answer the questions but may only answer with “yes or no.” 6. The person may guess the word at any time and can continue to ask questions until the word is guessed. 	 <p>Reference the <i>Vocabulary Reinforcement Activities Active Learning Tool 3.0.36 Forehead Detectives</i> activity for tips to modify this activity.</p> <p>Use the <i>Taboo® Active Learning Tool 3.0.28</i>.</p>
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ANTICIPATORY SET	
<p style="text-align: center;"><u>News Headline</u></p>  <p>Approximate time: 20 minutes</p> <p>Materials to prepare:</p> <ul style="list-style-type: none"> ▪ <i>News Headline Active Learning Tool 3.0.54</i> ▪ 1 timer for the facilitator ▪ 1 piece of butcher paper per group of 3-5 ▪ 1 printed news article or infographic for each group of 3-5 <ul style="list-style-type: none"> ○ News articles may be the same or different for each group. ○ Short articles printed (or copied) with large font work best. ▪ 1 marker per participant <ol style="list-style-type: none"> 1. Conduct the News Headline activity. Refer to the <i>News Headline Active Learning Tool 3.0.54</i> for directions and materials. <ol style="list-style-type: none"> a. The object of the news headline activity is for participants to build 	 <p>Use an Internet search that includes the words, “credit reports scores news” to find recent stories. Good sources include: Huffington Post, Money, Investopedia, CNN Money, and Bloomberg.com.</p>

connections with how current media relates to the personal finance classroom. Participants share thoughts, work in small groups and analyze the validity of sources. The activity is facilitated in a way that encourages active participation.

RECOMMENDED FACILITATION

PowerPoint Presentation



Approximate time: 90 minutes

Materials to prepare:

- *Credit Reports and Scores* PowerPoint presentation 2.6.1.G1
- 1 *Isabella Langley Story & Credit Report* 2.6.1.E2 per person
- Optional: Credit Videos (see the supplemental resources section)
- Optional: Internet access
- Optional: 1 set of *What You Do Makes a Difference* 2.6.1.H1 cards

Present the *Credit Reports and Scores* PowerPoint Presentation 2.6.1.G1.



Part 1: Credit History

1. Slide 1: Introduction
2. Slide 2: The Credit Process
 - a. Introduce the concepts of credit, borrower, lender, and credit history.
3. Slide 3: How Credit Reports are Created
 - a. Credit involves both a borrower and a lender.
 - b. This is a process where the lender reports to the CRA and the CRA creates a credit report for each consumer using credit.
 - c. Lenders examine a person’s credit history to help them determine if they will grant the borrower credit and the terms of that credit.
4. Slide 4: Credit Reporting Agencies
 - a. There are three credit reporting agencies which lenders may choose to report to (Experian, Equifax, and TransUnion).
 - b. Not all individuals have a credit history.
5. Slide 5: Credit Report Detectives
 - a. Tell the participants that they are Credit Report Detectives and Isabella has come to them for help.
 - b. Divide participants into groups of 2-3.
 - c. Provide each participant with *Isabella Langley’s Story and Credit Report* 2.6.1.E2.
 - d. Have participants work in small groups to read Isabella’s story. When reading, underline any areas of financial concern. Discuss as a class. Areas of financial concern include:
 - i. She is in debt without savings
 - ii. She has a poor credit score
 - iii. She does not have a spending plan
 - iv. She has several credit cards
 - v. She has never checked her credit report
 - vi. She is in collections




Part 2: Credit Reports

The *Credit Reports and Scores Note Taking Guide* 2.6.1.L1 is provided but not included as part of the recommended facilitation instructions or approximate time.


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6. Slide 6: Information in a Credit Report
 - a. The format of credit reports may vary among agencies but the primary categories are consistent.
 - b. Refer to *Isabella Langley's Story and Credit Report 2.6.1.E2* as an example.
 7. Slide 7: Consumer Information
 - a. Describe what is included in this section and have the groups find Isabella's personal information and place a star ★ next to it.
 - b. The complete list of personal information is on page 4.
 - c. Ask participants if they found anything surprising in this section.
 - i. Credit history tracks individuals over a period of time.
Hence, why previous addresses, employers and telephone numbers are listed for Isabella.
 8. Slide 8: Credit Account Information
 - a. This section is often divided into two categories. Accounts with Potentially Negative Items (pages 1 and 2) and Accounts in Good Standing.
 - b. For each account, several types of information are provided.
 9. Slide 9: Types of Credit
 - a. With open-end credit, although the borrower chooses how much to pay there is often a minimum payment due each month.
 10. Slide 10: Types of Credit
 - a. Have participants find the account for Sam's Electronic World. This account will be referenced as the type of account information is discussed.
 - b. Have participants determine what sections of the Sam's Electronic World account describe the type of credit.
 - c. Ask if this is an example of closed-end or open-end credit.
 - i. Open-end because it is a revolving account.
 - d. Have participants find an example of a closed-end (installment) credit account.
 - i. Talk Talk Telephone Service Provider or US Dept. of Education.
 11. Slide 11: Loan Amount/Credit Limit
 - a. If a credit limit is not available, the report may indicate the highest balance ever on the account.
 - b. Ask participants which sections of Sam's Electronic World account describe the loan amount/credit limit.
 12. Slide 12: Date Account Was Opened
 - a. Ask participants what section of Sam's Electronic World account describes the date opened?
 - b. Other dates including reported since, date of status and last report may also be reported.
 13. Slide 13: Account Balance
 - a. Ask participants which section of Sam's Electronic World account describes account balance?
 14. Slide 14: Payment Information
 - a. Ask participants which sections of Sam's Electronic World account describe payment information.

15. Slides 15-16: Public Records

- a. Ask participants if Isabella has any public records.
 - i. Yes, she has an unpaid traffic ticket which City of Anywhere turned over to Main Collection Agency.

 16. Optional: Accounts in Good vs. Potentially Negative Standing

- a. Break participants into groups of 2-3.
- b. Assign each group to one of Isabella's accounts (other than Sam's Electronics).
- c. Ask participants to work as a group and then explain to the class why that account is in good standing or has potentially negative items.
 - i. Main Collection Agency
 - 1. Negative – this is a collection account with \$680 90+ days past due.
 - ii. Talk Talk Telephone Service Provider
 - 1. Negative – this is an installment account with \$228 60+ days past due.
 - iii. Shop 'Til you Drop Corporate
 - 1. Negative – although there is no balance the account is typically paid late and the high balance has exceeded the credit limit.
 - iv. Free Money Credit Card
 - 1. Good standing – although she is carrying a balance, she pays at least the minimum payment on time.
 - v. US Dept. of Education
 - 1. Good standing – her loan is currently deferred. To keep the account in good standing she must make sure she begins paying immediately when the account is no longer deferred.


 17. Slides 17-18: Inquiry Information

- a. Have participants place a ☺ next to Isabella's inquiry information.
- b. Seeking additional credit may negatively affect a score. However, credit scoring models recognize that a person may be shopping for the best credit terms. Therefore, multiple inquiries for the same type of loan are counted as a single inquiry if conducted within 14 days.
- c. Inquiries not initiated by you (such as pre-approved credit cards), inquiries not related to credit (such as an employment check) and checking your own report does not impact your credit score.

18. Slide 19: Types of Lenders Who Report to CRA's

- a. Lenders (those who provide credit) typically report all information both positive and negative.
- b. Have participants identify what types of lenders have reported about Isabella.
 - i. Sam's Electronic World (retail store)
 - ii. Shop 'Til You Drop Corporate (retail store)
 - iii. Free Money Credit Card (credit card company)
 - iv. US Dept. of Education (finance company)

19. Slide 20: Types of Data Furnishers Who Report to CRA's
- a. Data furnishers are not creditors but may report to a CRA if money is owed to them.
 - b. Have participants identify an example of a data furnisher on Isabella's report.
 - i. Talk Talk Telephone Service Provider. Unfortunately, this account was reported because she is 60 days past due.
20. Slide 21: Information Not in a Credit Report
- a. By law reporting agencies cannot disclose certain medical information relating to physical, mental, or behavioral health. However, it could appear in the name of a data furnisher (i.e., "Cancer Center") that reports your payment history. When this happens, others who see your report would only see "Medical Payment Data" rather than the specific name of the source of the reporting data.
 - b. Depository institution accounts such as checking or savings accounts are not reported by the depository institution.
 - c. Criminal background is not reported. However, public records involving money owed (bankruptcy, tax liens, etc) is.
 - d. What an individual purchases with credit, their buying habits, are not reported.
21. Slide 22: Your Present Self Impacts Your Future Self
- a. Time is the only way to remove potentially negative information. Both positive and negative information remains on a credit report for a period of time depending on the account type. Negative actions today may have a long-term effect on an individual's financial well-being.

 Use the free FICO Score Estimator on the VISA What's My Score website to have participants estimate Isabella's score.



Part 3: Credit Videos

22. Show participants a video about credit reports and scores.
- a. Recommended videos include
 - i. Code Red from Consumer Jungle
 - ii. Credit Promo from Consumer Jungle
 - iii. A Rock Star's Credit Score from What's My Score
 - b. URL's are provided in the supplemental resources section of this lesson plan.
23. In small groups, have participants discuss:
- a. What is the overall message portrayed in the video clip?
 - b. What are two questions they have about credit reports and scores as a result of the video?
 - c. What are two things they learned about credit reports and scores as a result of the video?
 - d. Was everything in the video accurate?



Part 4: Credit Score

24. Slide 23: Credit Score
- a. Scores are based upon a very complicated mathematical tool at a particular point in time. So, an individual's credit score may vary from month-to-month.

- b. Credit scores are calculated using only information from a person's credit report which may include:
 - i. Number of credit accounts
 - ii. Type of accounts
 - iii. Bill payment history
 - iv. How much available credit is being used
 - v. Total amount owed
 - vi. Length of accounts
 - vii. Public record items
- c. When applying for credit, a lender may ask questions about age, net worth, interest rates on accounts, salary, occupation, etc. This information is not on a report and therefore not included in the score. However, it may be considered when a lender reviews an application.
 - i. This is another reason why a Statement of Financial Position is an important indicator of financial well-being.

25. Slide 24:

- a. CRA scoring systems vary. However, a higher score is positive.
- b. Stress that each CRA has its own scoring model ranking different features of a credit report differently. Therefore, an individual's score may vary between CRA's.

26. Slide 25: Credit Score Impact

- a. Stress that the credit score resulting from a person's credit history helps a lender determine the terms of credit including interest rate and loan length.
- b. Reinforce that if an individual is less of a credit risk they may qualify for lower interest rates. This means a higher credit score can save an individual thousands of dollars over a lifetime.

27. Slide 26: Credit History Affects More than Credit

- a. Stress that in addition to credit terms, other providers may view a credit report.
- b. Insurance companies may use a credit report to decide if they will offer an individual insurance and the rate they will pay.
- c. Employers may use credit reports, with permission, to determine if they will hire an individual.
- d. Public utility services may use credit reports to determine if they will provide an individual with a service.
- e. Landlords may use a credit report to determine if they will rent to an individual.
- f. Ask participants to identify examples of how Isabella's credit history is affecting her financial well-being.

- i. Negatively

- 1. She may pay higher interest rates on any loans
- 2. She may not receive her dream job
- 3. She may not be eligible for other forms of credit in the short-term
- 4. She may pay higher rates on insurance and other services

28. Slide 27: Positive Credit History

My FICO Credit Education Center website provides valuable information about the FICO score.



Have participants use an online calculator to calculate the impact of interest rate differences resulting from credit scores on other purchases, such as a home.



- a. Stress that a positive credit history will result in a higher credit score.
- b. Setting up automatic payments will help ensure bills are paid consistently and on time.
- c. A reasonable amount of available credit is achieved by keeping balances low on credit cards and other revolving credit.
- d. A mix of both closed-end and open-end credit may improve your score. However, too many of either type of account may also hurt your score.
- e. Checking your report annually will help ensure all information is correct.

29. Slide 28: Strategies to Build Credit

- a. Having no credit history can be just as challenging to a consumer as having a negative history because they may not be eligible for credit when needed.
- b. Experts recommend acquiring and positively managing small lines of credit to begin developing a history.
- c. Accounts with co-signers must be managed responsibly. Both individuals are equally responsible and the account will impact their credit history.
 - i. On Isabella’s credit report, Free Money Credit Card has a co-signer. This account is in good standing positively impacting both Isabella and the co-signer.
- d. If an individual is an authorized user on an account managed poorly, they too will be negatively impacted.
- e. Authorized user accounts typically have a reduced impact, if any, on a credit score depending on the credit scoring model used because they are not responsible for the debt.



Optional: Part 5: What You Do Makes a Difference

30. What You Do Makes a Difference

- a. Identify one side of the room as positive effect and the other side as negative effect.

31. Draw one *What You Do Makes a Difference* card 2.6.1.H1 from a bag.

32. Read the card to the participants and ask them to move to the side of the room representing if the action would have a positive or negative affect on a person’s credit history and indicate why.

- a. Joey’s TV – negative
 - i. Joey owes the store money which as agreed it the contract. He may be responsible for additional fees and referred to collections.
- b. Sally’s credit card payment – positive
 - i. Paying bills on time builds a positive report.
- c. Fernando’s credit report - positive
 - i. He is frequently checking his credit report using the government-sponsored agency.
- d. Cassie’s parking tickets – negative
 - i. She will owe for the tickets and additional penalties. She may have been referred to collections.



Conduct the *What You Do Makes a Difference* Activity 2.6.1.H1 using online polling software. See the *Technology Integration Options Active Learning Tool 3.0.50* for additional information.

Have participants work in small groups to create their own scenarios

- e. Sam’s loan – positive
 - i. Paying loans in full and on-time is a positive practice.
- f. Corey’s credit card – negative
 - i. Although he is paying his bill, late payments have a negative impact.
- g. Kari’s car - positive
 - i. Having automatic withdrawals from an account with sufficient funds ensured her payments were made on time which is a positive practice.
- h. Tammy’s applications – negative
 - i. Too many inquiries can negatively impact a score.
- i. Jessica’s credit cards – negative
 - i. Maximum balances have a negative impact.
- j. Jon’s student loans – negative
 - i. He is delinquent on the account and may be sent to collections.

Part 6: Requesting a Credit Report

33. Slide 29: Requesting a Credit Report

- a. To receive a credit report, individuals have to provide certain information such as social security number, date of birth and answer a question about previous credit history.
- b. To continually monitor a credit report, it is recommended to request a free report from one of the credit agencies every four months.
- c. If an individual is denied credit, they can request a free copy of their report within 60 days regardless if the one free credit report has been received in the past 12 months.
- d. Although they may see TV commercials or internet pop-ups advertising free credit reports, www.annualcreditreport.com is the only free one sanctioned by the government. The other companies often end up charging in the long-term or may be fraudulent and steal their identity.

34. Slide 30: Accessing Your Credit Score

35. Slide 31: If an Error is Found

- a. If the dispute is not resolved, consumers may write a dispute and ask that it be included in the credit report.
- b. Have participants place a next to Isabella’s personal statement section.
 - i. The remarks section can contain information from either the credit lender or the consumer; for example, it might contain a consumer statement of fraudulent information or a credit dispute.
 - ii. Neither Isabella nor her creditors have submitted a statement for her report.

36. Slide 32: Credit Repair Agencies

- a. Although there are often companies offering to “fix” your credit report, these companies cannot do anything that the consumer can’t do themselves.



Have participants go online to critically evaluate websites which claim they offer ‘free’ credit reports or scores to evaluate the company and learn the terms and conditions.





Part 7: Advice for Isabella

37. Slides 33-34: Talitha and Brendan’s Advice

- a. In small groups, have the participants discuss the advice Isabella was given and determine if each piece of advice was good, why or why not.
- b. Review as a class.
 - i. From Talitha:
 - 1. Credit ratings do typically improve as people get older, but only if they are managing their overall credit wisely.
 - 2. There is no “quick fix” for a negative credit history. Time and improved credit behaviors would “fix” her credit score.
 - 3. Interest rates are not factored into a score. But, they are often a result of positive financial management and a lower interest rate may mean lower payments.
 - ii. From Brendan:
 - 1. Yes, shopping around too much does result in higher inquiries which negatively impacts a score if the inquiries are from multiple types of lenders such as a person seeking a car loan and credit card in a short period of time. However, FICO scoring has recently been modified to count multiple inquiries in a short span of time from the same type of lender (such as an auto dealer, mortgage company, etc.) as one inquiry.
 - 2. Opening new accounts may create too much available credit which does not help a score.
 - 3. Closing old accounts may be helpful only under certain circumstances. May actually hurt a credit score because the consumers’ credit utilization percentage is increased. Therefore, closing of old accounts should be done with caution.
 - 4. The “slate” is not wiped clean. Depending upon the type of information, it stays on a person’s report for 7-10 years.
- c. Discuss with participants that this can be helpful to learn from others. However, individuals should always double check what they are learning to ensure it positively impacts them

38. Slide 35: Credit Report Detective’s Advice

- a. Have each group identify three pieces of advice they would give Isabella to begin improving her credit history. Discuss.

39. Slide 36: Conclusion






Use butcher paper to document advice from Talitha, Brendan and as Credit Report Detectives.





If additional content instruction is needed, have participants use the *Credit Reports and Scores Information Sheet 2.6.1.F1* to complete the *Credit Reports and Scores Note-Taking Guide 2.6.1.L1*.

CONCLUSION OPTIONS

There are two conclusion options provided for this lesson.

- 1. Option 1: Money World Squares

2. Option 2: Credit Reports and Scores worksheet	
<p style="text-align: center;"><u>Option 1: MoneyWorld Squares</u></p> <p> <u>Approximate time:</u> 15-30 minutes <u>Materials to prepare:</u></p> <ul style="list-style-type: none"> ▪ Refer to the <i>Money World Squares Active Learning Tool 3.0.11</i> for materials <ul style="list-style-type: none"> ○ Nine x and o cards from the <i>Moneyworld Squares Activity Cards 3.0.11.H1</i> ○ Optional: Three chairs ○ <i>Credit Reports and Scores Questions 3.0.11.E1</i> <p>1. Conduct the Money World Squares activity. Refer to the <i>Money World Squares Active Learning Tool 3.0.11</i> for directions and materials.</p> <p style="margin-left: 20px;">a. The object of MoneyWorld Squares is for participants to work in teams to answer questions. It is played like Tic-Tac-Toe or Hollywood Squares®.</p>	
<p style="text-align: center;"><u>Option 2: Credit Reports and Scores worksheet</u></p> <p> <u>Approximate time:</u> 15- 30 minutes <u>Materials to prepare:</u></p> <ul style="list-style-type: none"> ▪ 1 <i>Credit Reports and Scores</i> worksheet 2.6.1.A1 per participant <p>1. Complete the <i>Credit Reports and Scores 2.6.1.A1</i> worksheet as directed.</p>	
<p>ASSESSMENT OPTIONS</p> <p>There are two assessment options provided for this lesson.</p> <ol style="list-style-type: none"> 1. Option 1: Credit Reports and Scores Jingle or Comic 2. Option 2: Caroline Blue’s Credit Report 3. Option 3: Isabella’s Combined Credit Report 	
<p> <u>Option 1: Credit Reports and Scores Jingle or Comic</u></p> <p><u>Approximate time:</u> 30-45 minutes to create plus 1-2 minutes per participant/group for sharing <u>Materials to prepare:</u></p> <ul style="list-style-type: none"> ▪ 1 <i>Credit Reports and Scores Jingle Rubric 2.6.1.B1</i> per person Or ▪ 1 <i>Credit Reports and Scores Comic Strip Rubric 2.6.1.B2</i> per person ▪ Optional: <i>Credit Report Comic Example 2.6.1.E3</i> ▪ Optional: Computer access <p>1. Participants will educate their peers about credit reports and scores through a jingle or a comic strip.</p> <p>2. Provide each participant with either a <i>Credit Reports and Scores Jingle Rubric 2.6.1.B1</i> or a <i>Credit Reports and Scores Comic Strip Rubric 2.6.1.B2</i>.</p> <p style="margin-left: 20px;">a. Videos of example jingles are available on the VISA What’s My Score website.</p> <p style="margin-left: 20px;">b. Reference the <i>Credit Report Comic Example 2.6.1.E3</i> for examples.</p> <p style="margin-left: 20px;">c. <i>Technology Integration Options Active Learning Tool 3.0.50</i> has several web 2.0 tools. Reference comics or animated videos.</p>	<p>Complete the assessment in teams of 2-3 rather than individually.</p>  

<p style="text-align: center;"><u>Option 2: Caroline Blue’s Credit Report</u></p> <p> <u>Approximate time:</u> 45 minutes <u>Materials to prepare:</u></p> <ul style="list-style-type: none"> ▪ 1 <i>Caroline Blue’s Credit Report</i> 2.6.1.E4 per participant ▪ 1 <i>Caroline Blue’s Credit Report Worksheet</i> 2.6.1.A2 per participant <p>1. Use <i>Caroline Blue’s Credit Report</i> 2.6.1.E4 to complete the <i>Caroline Blue’s Credit Report Worksheet</i> 2.6.1.A2 as directed.</p>	
<p style="text-align: center;"><u>Option 3: Isabella’s Combined Credit Report</u></p> <p> <u>Approximate time:</u> 45 minutes <u>Materials to prepare:</u></p> <ul style="list-style-type: none"> ▪ 1 <i>Isabella’s Combined Credit Report</i> 2.6.1.E5 per participant ▪ 1 <i>Isabella’s Combined Credit Report Worksheet</i> 2.6.1.A3 per participant <p>1. Use <i>Isabella’s Combined Credit Report</i> 2.6.1.E5 to complete the <i>Isabella’s Combined Credit Report Worksheet</i> 2.6.1.A3 as directed.</p> <p style="margin-left: 20px;">a. Stress that this is a sample of a report that combines information from each credit reporting agency. <u>This makes it easier to compare information and look for errors</u>; however, a combined credit report is NOT free.</p>	 <p>Have participants identify potential errors in Isabella’s combined report and write a letter to the credit reporting agency.</p>

Credit Reports and Scores Vocabulary List

	TERM	DEFINITION
1	Borrower	Someone who receives something with a promise to return it or its equivalent
2	Closed-end credit	A loan of a certain amount of money that a borrower must repay in a specified number of equal payments. Also known as <i>installment credit</i>
3	Collection agency	Businesses hired by lenders to pursue payments on debts that borrowers have not paid back according to the terms of the credit contract
4	Co-signer	A person who is equally responsible for paying back debt under the credit terms
5	Credit	Refers to goods, services and/or money received in exchange for a promise to pay back a definite sum of money at a future date
6	Credit history	A record of the borrower's past loans and credit-related transactions
7	Credit limit	The maximum dollar amount that can be borrowed
8	Credit report	A record of a person's use of credit
9	Credit reporting agencies	Agencies that create credit reports based on the information they receive from lenders regarding a borrower's account history with that lender. Sometimes called <i>credit bureaus</i>
10	Credit score	A numerical summary of your credit history that indicates your credit worthiness (likelihood of repaying a loan as agreed)
11	Foreclosures	When a borrower fails to keep up with mortgage payments and the lender takes possession of the property
12	Lender	A person or organization who makes funds available for others to borrow
13	Open-end credit	A line of credit established in advance so that a borrower does not have to apply for credit each time new credit is desired. Also known as <i>revolving credit</i>
14	Tax lien	A legal claim by a government entity to take an individual's property or income when their taxes are not paid in full

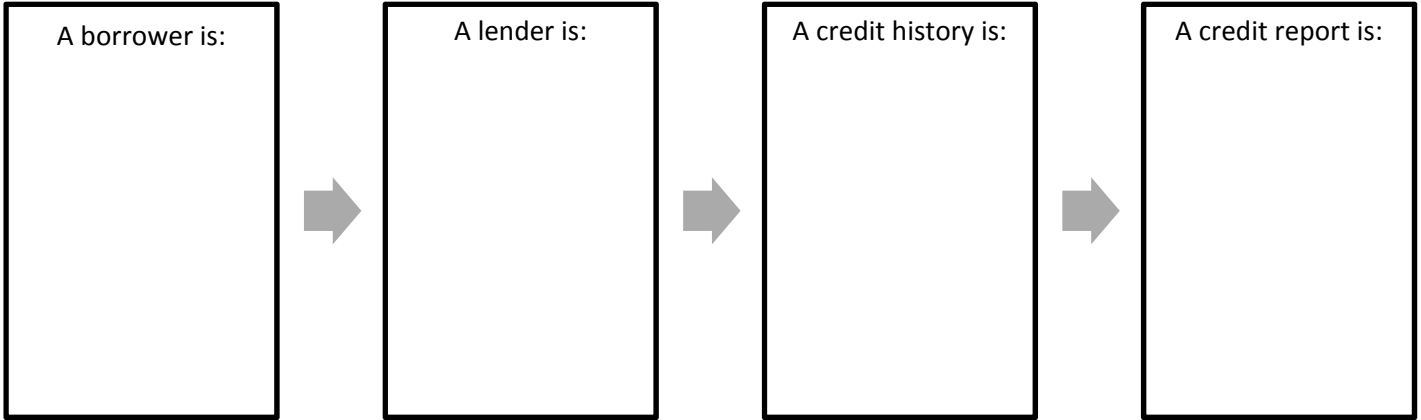
Credit Reports and Scores Note Taking Guide

	Total Points Earned
	Total Points Possible
	Percentage

Name _____

Date _____

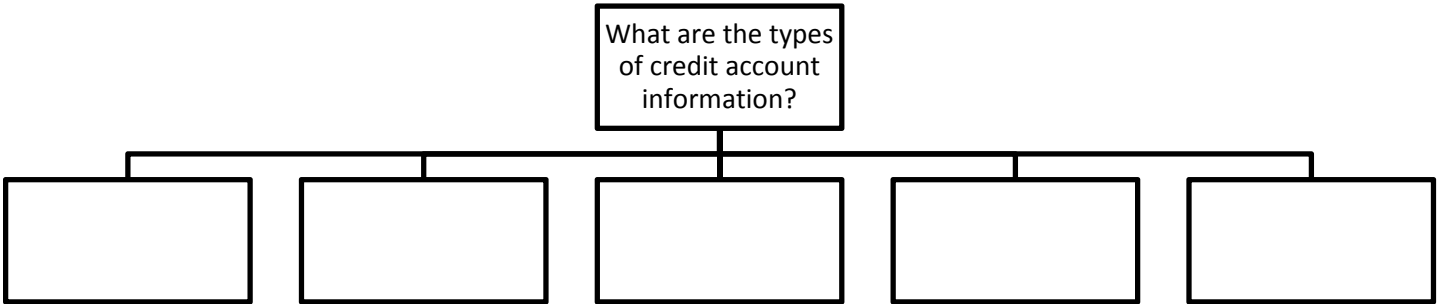
Class _____



How are credit reports created?

What are the names of the three credit reporting agencies?

What are three examples of personal information on a credit report?



Types of Credit	Also known as:	Definition	Example
Closed-end			
Open-End			

Place the following symbols on each section of Sam's Electronic World Account described by the corresponding type of information.

- Type of credit
- Loan amount/credit limit
- Date account was opened
- Account balance
- Payment information

SAM'S ELECTRONIC WORLD		
Address: 123 MAIN STREET ANYWHERE, AZ 00000	Account Number: 3624****	
Status: Open/Past due 60 days.		
Date Opened: 02/2009	Type: Revolving	Credit Limit/Original Amount: \$500
Reported Since: 02/2010	Terms: N/A	High Balance: \$550
Date of Status: 10/2012	Monthly Payment: \$0	Recent Balance: \$84 as of 11/2012
Last Reported: 10/2012	Responsibility: INDIVIDUAL	Recent Payment: \$0
Account History: 60 days as of 10-2012 30 days as of 09-2012		

What types of public record information may be in a credit report?

When are inquiries potentially negative?

When do inquiries typically have no impact?

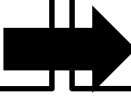
In addition to access to credit, what are two other ways an individual's credit history may impact them?

5 strategies to build a positive credit history include:

-
-
-
-
-

What are two strategies to acquire and positively manage small lines of credit?

How is a co-signer impacted?



How often can a free credit report be requested?



What is the only government-sponsored website?



How are credit scores accessed?



If an error is found, a consumer should:

Isabella Langley's Story and Credit Report

Isabella Langley is about to graduate from college and is excited to begin her professional career! However, as Isabella approaches graduation, her financial situation is **not** what she dreamed it would be. She is in debt, without savings, has a poor credit score, and is applying for jobs.

To pay for college, Isabella and her parents completed the FAFSA form to receive \$5,000 annually in subsidized Stafford Loans from the government totaling \$20,000 over a four-year timeframe. To earn money for basic expenses (e.g., rent, transportation, and food) Isabella worked part-time during the school year and full-time during the summer at Lucky's Restaurant.

Unfortunately, Isabella switched majors a few times, delaying graduation and adding another year of college tuition and expenses. This forced her to apply for a private school loan from a depository institution. In addition, she had no spending plan so the money she earned was not enough to support her college lifestyle. It was not long before Isabella turned to her new credit card to pay for expenses such as going to the movies, new clothes and daily lattes. Isabella could only afford to make the minimum payment each month on her credit cards. In addition, her paycheck was unreliable so she was frequently late in paying her debts, including her cell phone bills. Isabella has several store cards she applied for to save an additional 10% on her purchases.

In preparation for "the real world," Isabella has been applying for jobs with several companies. She is a finalist in her dream job working in sales with the potential to earn a great salary. As a final step in the interview process, the employers asked her to complete a form granting permission to review her credit report. Isabella provided them with the information but was a little nervous. She had never looked at her credit report and had no idea what it said. Isabella decided to check it out herself and went to www.annualcreditreport.com. To request her report free of charge online. She also learned that, for a fee, she was able to request a copy of her credit score.

Isabella was surprised at what she saw. She had two credit scores and both were considered to be low. Her credit report showed not only her college loans and credit card debt, but also some clothing and electronics store accounts. She was surprised to see an old traffic violation that was never paid; she had no idea it was now in collections.

One evening, she was having dinner with her close friends, Talitha and Brendan. Isabella was concerned about her situation so she brought up the topic of credit reports. Talitha mentioned that she thought she had heard something about credit ratings improving as people got older and they earned more. She went on to say Isabella's credit score would get better as soon as she settled her delinquent accounts or negotiated lower interest rates on her existing loans. Though he wasn't completely sure, Brendan said that shopping around for credit was not the best idea because he thought that it led directly to more "inquiries" showing up on a person's credit report. However, he guessed that opening new credit card accounts, even if you don't plan to use them, was a healthy thing to do, since it provides evidence of credit worthiness. Finally, both friends had heard that it was best to close most of her old accounts, including the loans she hadn't paid on time, in order to "wipe the slate clean," and that she could always pay someone to fix her credit.

Isabella always imagined that this stage of her life would look much brighter. She thought to herself, "I am in huge debt, I don't have any savings, and I don't know if I will receive my dream job." She was unsure if Talitha and Brendan's advice was 100% accurate and knew she needed to learn more. She wondered where she went wrong and what she could begin doing now to fix her credit report.

Online Personal Credit Report from Flexperian for

Flexperian credit report prepared for

ISABELLA LANGLEY

Your report number is

102030405

Report date:

01/02/2013

Index:

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

Flexperian collects and organizes information about you and your credit history from reliable sources that include public records and your creditors. Flexperian makes your credit history available to your current and prospective creditors, employers and others as allowed by law, which can accelerate your ability to obtain credit and can make offers of credit available to you. We do not award or withhold credit; each credit lender makes that decision based on their own guidelines. To return to your report in the near future, log on to www.flexperian.com/personalcreditreport and select "View My Report" and then enter your report number. If you potentially disagree with information in this report, return to the Report Summary page and follow the instructions there to dispute credit report content.

Potentially Negative Items

Public Records

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

CITY OF ANYWHERE COURT CLERK

Address:

 1 COURTHOUSE LANE
 ANYWHERE, AZ 11000

Identification Number:

10-11-15

Plaintiff:

CITY OF ANYWHERE

Status:

Collection account. \$680 past due as of 12-2012

Status Details:

The item was verified and updated in Dec 2012.

Date Filed:

06/01/2012

Claim Amount:

\$358

Date Resolved:

N/A

Liability Amount:

N/A

Responsibility:

INDIVIDUAL

MAIN COLLECTION AGENCY

Address:

 1001 TOWN BLVD
 ANYWHERE, AZ 10000

Account Number:

000102331****

Status: Collection account. \$680 past due as of 01-2013

Date Opened:

07/2004

Type:

Revolving

Credit Limit/Original Amount:

\$550

Reported Since:

08/2004

Terms:

N/A

High Balance:

\$680

Date of Status:

10/2012

Monthly Payment:

\$0

Recent Balance:

\$680 as of 10/2012

Last Reported:

10/2012

Responsibility:

INDIVIDUAL

Recent Payment:

\$0

Account History: 90 days as of 05-2012, 60 days as of 04-2012, 30 days as of 03-2012

Isabella Langley's Credit Report

TALK TALK TELEPHONE SERVICE PROVIDER

Address:	Account Number:
1 MABELL CIRCLE	000050902****
ANYWHERE, AZ 00000	

Status: Open/Past due 60 days.

Date Opened:	Type:	Credit Limit/Original Amount:
04/2007	Installment	\$114
Reported Since:	Terms:	High Balance:
10/2009	N/A	\$362
Date of Status:	Monthly Payment:	Recent Balance:
10/2012	\$0	\$228
Last Reported:	Responsibility:	Recent Payment:
10/2012	Individual	\$0

Account History: 60 days as of 10-2012, 30 days as of 09-2012

SAM'S ELECTRONIC WORLD

Address:	Account Number:
123 MAIN STREET	3624****
ANYWHERE, AZ 00000	

Status: Open/Past due 60 days.

Date Opened:	Type:	Credit Limit/Original Amount:
02/2009	Revolving	\$500
Reported Since:	Terms:	High Balance:
02/2010	N/A	\$550
Date of Status:	Monthly Payment:	Recent Balance:
10/2012	\$0	\$84 as of 11/2012
Last Reported:	Responsibility:	Recent Payment:
10/2012	INDIVIDUAL	\$0

Account History: 60 days as of 10-2012, 30 days as of 09-2012

SHOP 'TIL YOU DROP CORPORATE

Address:	Account Number:
333 GARDEN STREET	0-01-35842****
ANYWHERE, NY 10000	

Status: Paid/Typically over limit and pays late.

Date Opened:	Type:	Credit Limit/Original Amount:
06/2010	Revolving	\$750
Reported Since:	Terms:	High Balance:
08/2010	N/A	\$763
Date of Status:	Monthly Payment:	Recent Balance:
10/2012	\$0	\$0 as of 10-2012
Last Reported:	Responsibility:	Recent Payment:
10/2012	Individual	\$0

Account History:

Accounts in Good Standing

FREE MONEY CREDIT CARD

Address:	Account Number:
4 MAIN LANE ANYWHERE, DE 00001	000102331***

Status: Open/never late.

Date Opened:	Type:	Credit Limit/Original Amount:
09/2009	Revolving	\$8,000
Reported Since:	Terms:	High Balance:
11/2009	N/A	\$8,000
Date of Status:	Monthly Payment:	Recent Balance:
11/2012	\$0	\$7,685 as of 11/2012
Last Reported:	Responsibility:	Recent Payment:
11/2012	Co-signer	\$320

Account History:

US DEPT. OF EDUCATION

Address:	Account Number:
000 SCHOOL STREET WASHINGTON, DC 00000	26871***

Status: Open/Deferred.

Date Opened:	Type:	Credit Limit/Original Amount:
08/2009	Installment	N/A
Reported Since:	Terms:	High Balance:
11/2012	\$159.10 for 120 Months	\$15,000
Date of Status:	Monthly Payment:	Recent Balance:
12/2012	\$40	\$15,000 as of 12/2012
Last Reported:	Responsibility:	Recent Payment:
12/2012	Individual	\$0

Credit History Inquiries

Inquiries Viewed By Others

We make your credit history available to current and prospective lenders and employers as allowed by law. In addition, your personal data may be available to companies whose products and services may interest you. **The section below lists all who have requested in the recent past to review your credit history as a result of actions involving you**, such as the completion of a credit application or the transfer of an account to a collection agency, application for insurance, mortgage or loan application, etc. Lenders may view these requests when evaluating your creditworthiness.

KEEPING YOU INSURED

Address:	Date of Request:
583 EDWARD STREET ANYWHERE. NY 10000	08/31/13

Inquiries Viewed Only By You

The section below **lists all who have a permissible purpose by law and have requested in the recent past to review your information**. You may not have initiated these requests, so you may not recognize each source. We offer information about you to those with permissible purpose, for example to:

- other creditors who want to offer you preapproved credit;
- an employer who wishes to extend an offer of employment;
- a potential investor in assessing the risk of a current obligation;
- credit reporting agencies to process a report at your request;
- your existing creditors to monitor your credit activity (date listed may reflect only the most recent request).

THE DREAM SALES JOB

Address: 100 PROSPECT LANE ANYWHERE, AZ 00000	Date of Request: 03/10/2013
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FLEXPERIAN

Address: 1 BUREAU ROAD ANYTOWN, FL 00000	Date of Request: 03/01/2013
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KEEPING YOU INSURED

Address: 500 ACCIDENT BLVD ANYWHERE, AZ 00000	Date of Request: 01/20/2013
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NEED MORE CREDIT? CREDIT CARD COMPANY

Address: PO BOX 0101 ANYWHERE, DE 00000	Date of Request: 11/03/2012
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Personal Information

The following information is reported to us by you, your lenders and other sources. As each source may report your personal information differently, there may be variations of your name, address, Social Security number, etc. As a security precaution, the Social Security number that you used to obtain this report is not displayed. The Name identification number and Address identification number are how our system identifies variations of your name and address that may appear on your report. The Geographical Code shown with each address identifies the state, county, census tract, block group and Metropolitan Statistical Area associated with each address

Names: ISABELLA G. LANGLEY Number identification number: 14965 ISABELLA LANGLEY Number identification number: 14966 I. LANGLEY Number identification number: 14967 Social Security number variations: 999999999 Year of birth: 1991 Spouse or co-applicant: MEREDITH LANGLEY	Address: 101 1 st Avenue, Apt. 1 Anywhere, AZ 00000 Address identification number: 0938270011 Type of Residence: Apartment Geographic Code: 0-132974-26-6822 Address: 104 Neat Street Anywhere, NY 10000 Address identification number: 0938241062 Type of Residence: Multifamily Geographic Code: 0-132559-85-1212	Employers: LUCKY'S RESTAURANT JANE'S DAYCARE Telephone Numbers: (555) 354-2368 Residential (555) 500-0000 Residential
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Your Personal Statement

No general personal statements appear on your report.

Important Message from Your Credit Agency

By law, we cannot disclose certain medical information (relating to physical, mental, or behavioral health or condition). Although we do not generally collect such information, it could appear in the name of a data furnisher (i.e., "Cancer Center") that reports your payment history to us. If so, those names display in your report, but in reports to others they display only as MEDICAL PAYMENT DATA. Consumer statements included on your report at your request that contain medical information are disclosed to others.

Contacting Us

The follow is Flexperian's contact information for your area:

100 Flexperian Way Anywhere, NY 00000	(800) 098-7654 toll free (800) 987-654 3 TTY
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What You Do Makes a Difference Cards

2.6.1.H1

Joey rented a TV from “The Best Deal” rent-to-own store during college. The TV was never returned or paid for it as stated in the contract.

2.6.1.H1

Fernando checks one of his credit reports for free using www.annualcreditreport.com every four months.

2.6.1.H1

Sam acquired a loan from Buy More Credit Union for \$2,000 to purchase a motorcycle. He paid the loan back in full and on-time.

2.6.1.H1

Kari bought a car and financed it through the “Drive Bigger and Better” promotion. Payments are automatically removed from her checking account and the money is always in the account.

2.6.1.H1

Jessica has several types of credit cards. The balance on each card is at the maximum amount.

2.6.1.H1

Sally pays the total amount due on her credit cards each month.

2.6.1.H1

Cassie has received three parking tickets this past year and has not paid them.

2.6.1.H1

Corey’s credit card bill is paid in monthly installments. However, it is due on the 15th and he usually pays a few days late.

2.6.1.H1

Tammy frequently applies for new types of credit.

2.6.1.H1

It is 12 months after graduation and Jon has not started paying his student loan back because he has not found a job. He has not contacted the loan company.

Credit Reports and Scores

	Total Points Earned
24	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Match the following definitions with the correct terms by placing the appropriate letter on each blank provided. (1 point each)

- | | |
|--|-----------------------------|
| <p>1. _____ A <u>record</u> of the borrower’s past loan and credit-related transactions.</p> | |
| <p>2. _____ A loan of a certain amount of money that a borrower must repay in a specified number of equal payments.</p> | <p>a. Tax Lien</p> |
| <p>3. _____ When goods, services, and/or money is received in exchange for a promise to pay back a definite sum of money at a future date.</p> | <p>b. Open-end Credit</p> |
| <p>4. _____ A person or organization who makes funds available to borrow.</p> | <p>c. Credit</p> |
| <p>5. _____ A legal claim by a government entity to take an individual’s property or income when their taxes are not paid in full.</p> | <p>d. Closed-end Credit</p> |
| | <p>e. Credit Report</p> |
| | <p>f. Credit History</p> |
| | <p>g. Lender</p> |

Directions: Place an N on the line if the statement will create negative credit; place a P on the line if the statement will create positive credit. (1 point each)

6. _____ Maintaining a reasonable amount of unused credit.
7. _____ Routinely paying bills late.
8. _____ Numerous credit applications in a short period of time.
9. _____ Checking credit reports annually to search for mistakes.
10. _____ Having many of the same types of credit accounts.

Directions: Circle the correct letter for each of the following questions. (1 point each)

11. Which of the following is NOT on a credit report?

- a. Late medical payments
- b. Repayment history
- c. Buying habits
- d. Public Records

12. A negative credit report may impact an individual's ability to receive all of the following EXCEPT?

- a. Insurance
- b. Apartment
- c. Loan
- d. A traffic ticket

Directions: Choose from the answer bank to indicate how long each type of information remains on your credit report. Answers may be used more than once. (1 point each)

ANSWER BANK

13. _____ Inquiries

14. _____ Late or missed payments

15. _____ Open accounts considered to be in "good standing"

16. _____ Medical information

17. _____ Closed accounts

a. Never on a credit report

b. Two years

c. Seven Years

d. Ten years

e. Always on a credit report

Directions: Answer the following questions in short answer format.

18. Describe the difference between open-end and closed-end credit and provide an example of each. (4 points)

19. Describe three ways a twenty year old may begin building credit. (3 points)

Credit Reports and Scores Jingle Rubric

	Total Points Earned
21	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Write and present a 1-minute jingle educating your peers about credit reports and scores. The jingle must include three facts about credit reports or scores and the script must be written and submitted, in advance, to the instructor.

	Exemplary	Satisfactory	Unsatisfactory	No Performance	Score
Content: <ul style="list-style-type: none"> ▪ At least three correct facts about credit reports and/or scores is provided ▪ There is a clear message ▪ Jingle is at least one-minute 	9-7	6-4	3-1	0	
Quality of Presentation: <ul style="list-style-type: none"> ▪ Easy to understand ▪ Accurate (no errors in content or grammar) ▪ Script provided to instructor in advance 	6-5	4-3	2-1	0	
Effectiveness of Presentation: <ul style="list-style-type: none"> ▪ Clearly prepared ▪ Thorough explanation of each content component ▪ Creative 	6-5	4-3	2-1	0	
Total Points Earned					
Total Points Available					21
Percentage					

Credit Reports and Scores Comic Rubric

	Total Points Earned
21	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Write a 3-scene comic strip with three facts to educate your peers about credit reports or scores.

	Exemplary	Satisfactory	Unsatisfactory	No Performance	Score
Content: <ul style="list-style-type: none"> ▪ At least three correct facts about credit reports and/or scores is provided ▪ There is a clear message ▪ Comic strip has at least three scenes 	9-7	6-4	3-1	0	
Quality of Presentation: <ul style="list-style-type: none"> ▪ Easy to understand ▪ Accurate (no errors in content or grammar) ▪ Main characters are clearly described 	6-5	4-3	2-1	0	
Effectiveness of Presentation: <ul style="list-style-type: none"> ▪ Thorough explanation of each content component ▪ Creative and eye catching 	6-5	4-3	2-1	0	
				Total Points Earned	
				Total Points Available	21
				Percentage	

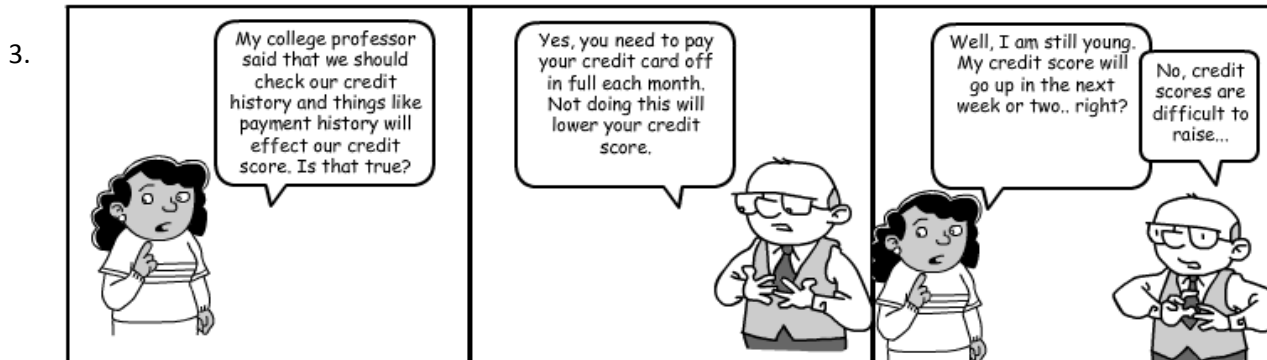
Comic Strip Example



This comic strip was created at MakeBeliefsComix.com. Go there to make one yourself!



This comic strip was created at MakeBeliefsComix.com. Go there to make one yourself!



This comic strip was created at MakeBeliefsComix.com. Go there to make one yourself!



This comic strip was created at MakeBeliefsComix.com. Go there to make one yourself!

* *Note to educator:* These comics were created by MakeBeliefscomix.com. Created by Bill Zimmerman and art by Tom Bloom.

Online Personal Credit Report from Flexperian for

Flexperian credit report prepared for CAROLINE BLUE Your report number is 987654321 Report date: 01/24/2013	Index: -Potentially negative items -Accounts in good standing -Requests for your credit history -Personal information -Important message from Flexperian -Contact us
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Flexperian collects and organizes information about you and your credit history from reliable sources that include public records and your creditors. Flexperian makes your credit history available to your current and prospective creditors, employers and others as allowed by law, which can accelerate your ability to obtain credit and can make offers of credit available to you. We do not award or withhold credit; each credit lender makes that decision based on their own guidelines. To return to your report in the near future, log on to www.flexperian.com/personalcreditreport and select "View My Report" and then enter your report number. If you potentially disagree with information in this report, return to the Report Summary page and follow the instructions there to dispute credit report content.

Potentially Negative Items

Public Records

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

MAIN COUNTY CLERK

Address: 123 Maintown Street ANYWHERE, NY 10000	Identification Number: 1	Plaintiff: ANY COMMISSIONER O.
--	------------------------------------	--

Status: Civil claim paid.	Status Details: The item was verified and updated as in Nov 2012.
-------------------------------------	---

Date Filed: 06/15/2012	Claim Amount: \$150
Date Resolved: 11/04/2012	Liability Amount: N/A
Responsibility: INDIVIDUAL	

SEARMORES

Address: 456 CITY LAND ANYWHERE, NY 10000	Account Number: 123-010****
--	---------------------------------------

Status: Open/Past due 60 days.

Date Opened: 07/2004	Type: Revolving	Credit Limit/Original Amount: \$3,000
Reported Since: 08/2004	Terms: N/A	High Balance: \$3,500
Date of Status: 01/2013	Monthly Payment: \$0	Recent Balance: \$3,300 as of 01/2013
Last Reported: 01/2013	Responsibility: INDIVIDUAL	Recent Payment: \$0

Account History: 60 days as of 09-2012, 30 days as of 08-2012

CITY VISA

Address: 10001 CORPORATE BLVD
ANYWHERE, NY 10000

Account Number: 01-100220****

Status: Paid/Past due 30 days.

Date Opened: 01/2006	Type: Revolving	Credit Limit/Original Amount: \$2,500
Reported Since: 02/2006	Terms: N/A	High Balance: \$2,189
Date of Status: 11/2012	Monthly Payment: \$0	Recent Balance: \$1,500 as of 11/2012
Last Reported: 12/2012	Responsibility: Individual	Recent Payment: \$0

Account History: 30 days as of 11-2012

THE BOOR

Address: 10 STORE STREET
ANYWHERE, NY 10000

Account Number: 0060123****

Status: Open/Past due 30 days.

Date Opened: 07/2008	Type: Revolving	Credit Limit/Original Amount: \$12,000
Reported Since: 08/2008	Terms: N/A	High Balance: \$3,412
Date of Status: 12/2012	Monthly Payment: \$0	Recent Balance: \$958 as of 12/2012
Last Reported: 12/2012	Responsibility: INDIVIDUAL	Recent Payment: \$0

Account History: 30 days as of 12-2012

THE DOCK

Address: 1 FREERIDE AVENUE
ANYWHERE, NY 10000

Account Number: 98-765****

Status: Open/Past due.

Date Opened: 01/2010	Type: Revolving	Credit Limit/Original Amount: \$2,500
Reported Since: 02/2010	Terms: N/A	High Balance: \$2,450
Date of Status: 11/2012	Monthly Payment: \$0	Recent Balance: \$1,968 as of 11-2012
Last Reported: 11/2012	Responsibility: Individual	Recent Payment: \$0

Account History:

Accounts in Good Standing

SUPERIOR AUTO LOAN

Address:
321 FINANCE ROAD
ANYWHERE, PA 10000

Account Number:
12345678998***

Status: Open/Never late.

Date Opened: 05/2008	Type: Installment	Credit Limit/Original Amount: \$9,851
Reported Since: 02/2010	Terms: 60 months	High Balance: N/A
Date of Status: 12/2012	Monthly Payment: \$186	Recent Balance: \$735 as of 12/2012
Last Reported: 12/2012	Responsibility: Individual	Recent Payment: \$185

SHOP 'TIL YOU DROP

Address:
333 GARDEN STREET
ANYWHERE, NY 00000

Account Number:
0-01-65432***

Status: Closed/Never late.

Date Opened: 03/2007	Type: Revolving	Credit Limit/Original Amount: N/A
Reported Since: 02/2010	Terms: 1 Months	High Balance: \$2,382
Date of Status: 17/2012	Monthly Payment: \$0	Recent Balance: \$0 as of 07/2012
Last Reported: 07/2012	Responsibility: Co-signer	Recent Payment: \$0

Your Statement: Account closed at consumer's request

CONVENIENT CREDIT CARD

Address:
111 PROFIT LANE
ANYWHERE, DE 00000

Account Number:
0000-010-2***

Status: Open/Never late.

Date Opened: 11/2009	Type: Revolving	Credit Limit/Original Amount: N/A
Reported Since: 12/2009	Terms: 1 Months	High Balance: \$2,382
Date of Status: 01/2013	Monthly Payment: \$35	Recent Balance: \$0 as of 01/2013
Last Reported: 01/2013	Responsibility: Individual	Recent Payment: \$114

Credit History Inquiries

Inquiries Viewed By Others

We make your credit history available to current and prospective lenders and employers as allowed by law. In addition, your personal data may be available to companies whose products and services may interest you. The section below lists all who have requested in the recent past to review your credit history as a result of actions involving you, such as the completion of a credit application or the transfer of an account to a collection agency, application for insurance, mortgage or loan application, etc. Lenders may view these requests when evaluating your creditworthiness.

TARMORE

Address: 1 SPENDING LANE ANYWHERE. NY 10000	Date of Request: 07/03/2012
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SEE-N-SAVE

Address: 1000 FREERIDE BLVD ANYWHERE, NY 10000	Date of Request: 07/03/2012
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WALLY WORLD

Address: 1983 GRISWOLD BLVD ANYWHERE, CA 00000	Date of Request: 07/03/2012
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Inquiries Viewed Only By You

The section below lists all who have a permissible purpose by law and have requested in the recent past to review your information. You may not have initiated these requests, so you may not recognize each source. We offer information about you to those with permissible purpose, for example to:

- other creditors who want to offer you preapproved credit;
- an employer who wishes to extend an offer of employment;
- a potential investor in assessing the risk of a current obligation;
- credit reporting agencies to process a report at your request;
- your existing creditors to monitor your credit activity (date listed may reflect only the most recent request).

FLEXPERIAN

Address: 1 BUREAU ROAD ANYWHERE, FL 00000	Date of Request: 01/03/2013
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OUR CREDIT IS FOR YOU!

Address: 2345 MAIN STREET ANYWHERE, DE 10000	Date of Request: 08/12/2012
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MYTOWN BANK

Address: PO BOX 123 ANYWHERE, DE 00000	Date of Request: 07/25/2011
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Personal Information

The following information is reported to us by you, your lenders and other sources. As each source may report your personal information differently, there may be variations of your name, address, Social Security number, etc. As a security precaution, the Social Security number that you used to obtain this report is not displayed. The Name identification number and Address identification number are how our system identifies variations of your name and address that may appear on your report. The Geographical Code shown with each address identifies the state, county, census tract, block group and Metropolitan Statistical Area associated with each address

Names: CAROLINE N. BLUE	Address: 104 Good Lane, Apt. 2B Anywhere, NY 10000	Employers: MARTYES
Number identification number: 15621 CAROLINE BLUE	Address identification number: 0277741504	Telephone Numbers: (555) 123-4567 Residential (555) 100-0000 Residential
Number identification number: 15622 C. N. BLUE	Type of Residence: Apartment Geographic Code: 0-156510-31-8840	
Number identification number: 15623	Address: 104 Neat Street Anywhere, NY 10000	
Social Security number variations: 999999999	Address identification number: 0170086050	
Year of birth: 1987	Type of Residence: Multifamily Geographic Code: 0-176510-33-8840	
Spouse or co-applicant: GERALD BLUE	Address: 104 Hopeful Avenue Anywhere, NY 10000	
	Address identification number: 0170129301	
	Type of Residence: Single family Geographic Code: 0-166510-32-8840	

Your Personal Statement

No general personal statements appear on your report.

Important Message from Your Credit Agency

By law, we cannot disclose certain medical information (relating to physical, mental, or behavioral health or condition). Although we do not generally collect such information, it could appear in the name of a data furnisher (i.e., "Cancer Center") that reports your payment history to us. If so, those names display in your report, but in reports to others they display only as MEDICAL PAYMENT DATA. Consumer statements included on your report at your request that contain medical information are disclosed to others.

Contacting Us

The follow is Flexperian's contact information for your area:

100 Flexperian Way
Anywhere, NY 00000

(800) 098-7654 toll free
(800) 987-654 3 TTY

Caroline Blue's Credit Report Worksheet

	Total Points Earned
19	Total Points Possible
	Percentage

Name _____

Date _____

Class _____

Directions: Review *Caroline Blue's Credit Report*. Caroline is seeking a loan to purchase a new vehicle. Analyze Caroline's credit report and answer the following questions to determine if Caroline should receive the loan.

1. List four items on Caroline's credit report that suggest she is a high risk borrower: (4 points)

-
-
-
-

2. Provide an example of a closed-end credit account that Caroline has. (1 point)

3. Provide an example of an open-end credit account that Caroline has. (1 point)

4. What has Caroline's payment history been like? Support your answer with two examples. (2 points)

Consumer Information

	<u>Experian</u>	<u>TransUnion</u>	<u>Equifax</u>
Name:	Isabella Langley	Isabella G. Langley	Isabella Langley
Current Address:	101 Hopeful Ave, Anywhere, AZ	101 Hopeful Ave, Anywhere, AZ	101 Hopeful Ave
Previous Address:	695 Parent St, Anywhere, AZ	695 Parent St, Anywhere, AZ	695 Parent St
Current Employer:	Lucky's Restaurant	Lucky's Restaurant	Jane's Daycare

Consumer Statement

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Summary Information

Revolving Accounts	<u>Experian</u>	<u>TransUnion</u>	<u>Equifax</u>
Count	4	5	4
Balance (\$)	8967	8235	8235
Payment (\$)	362	342	342
Current	2	2	2
Delinquent	5	5	5
Derogatory	1	1	1
Unknown	0	0	0

Installation Accounts	<u>Experian</u>	<u>TransUnion</u>	<u>Equifax</u>
Count	4	4	4
Balance (\$)	56296	56195	56195
Payment (\$)	583	583	583
Delinquent	2	2	2
Derogatory	1	1	2

Account History Information

Sam's Electronic World	<u>Experian</u>	<u>TransUnion</u>	<u>Equifax</u>
Account Number:	3624****	3624****	0-3624****
Type:	Revolving	Revolving Credit	Revolving
Condition:	Open	Open	Open
Responsibility:	Individual	Individual	Individual
Pay Status:	60 days late	Charge Off	30 days late
Date Opened:	02/01/2009	02/2009	02/2009
Date Reported:	10/01/2012	10/2012	10/2012
Balance and Limit:	\$550; \$500	\$545; \$5,000	\$550; \$500
Payment and Terms:	\$22 minimum	\$590 plus fees	\$22 minimum
High Balance:	\$550	\$545	\$550
Past Due:	\$44 plus late fees	\$590	\$22 plus late fees
Remarks:			

Two Year Payment History:

Experian	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
TransUnion	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Equifax	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
			2011												2012									

Seven Year Payment History:

	<u>Experian</u>	<u>TransUnion</u>	<u>Equifax</u>
30 Days Late:	1	1	1
60 Days Late:	1	1	0
90 Days Late:	0	1	0

US Dept. of Education	<u>Experian</u>	<u>TransUnion</u>	<u>Equifax</u>
Account Number:	26871**	26871**	12-26871**
Type:	Installment	Installment	Installment
Condition:	Open	Open	Open
Responsibility:	Individual	Individual	Individual
Pay Status:	Deferred	Deferred	Deferred
Date Opened:	08/01/2008	08/2008	08/2008
Date Reported:	10/01/2012	10/2012	10/2012
Balance and Limit:	Balance of \$41,429	Balance of \$41,429	Balance of \$41,429
Payment and Terms:	\$346 for 120 months	\$346 for 120 months	\$346 for 120 months
High Balance:	\$41,429	\$41,429	\$41,429
Past Due:	\$0	\$0	\$0
Remarks:			

Two Year Payment History:

Experian	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
TransUnion	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Equifax	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
			2011												2012									

Seven Year Payment History:

	<u>Experian</u>	<u>TransUnion</u>	<u>Equifax</u>
30 Days Late:	0	0	0
60 Days Late:	0	0	0
90 Days Late:	0	0	0

Depository Institution School Loan	Experian	TransUnion	Equifax
Account Number:	65-8713-**	0-65-8713-**	65-8713-**
Type:	Installment	Installment	Installment
Condition:	Open	Open	Open
Responsibility:	Individual	Individual	Individual
Pay Status:	Deferred	Deferred	Deferred
Date Opened:	08/01/2009	10/2009	08/2009
Date Reported:	10/01/2012	10/2012	10/2012
Balance and Limit:	Balance of \$15,000	Balance of \$14,867	Balance of \$14,867
Payment and Terms:	\$125 for 120 months	\$124 for 120 months	\$124 for 120 months
High Balance:	\$15,000	\$14,867	\$14,867
Past Due:	\$0	\$0	\$0
Remarks:			

Two Year Payment History:

Experian	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
TransUnion	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Equifax	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
			2011												2012									

Seven Year Payment History:

	Experian	TransUnion	Equifax
30 Days Late:	0	0	0
60 Days Late:	0	0	0
90 Days Late:	0	0	0

Shop 'Til You Drop Store Credit Card	Experian	TransUnion	Equifax
Account Number:	0-01-35842***	01-35842***	1-35842***
Type:	Revolving	Revolving	Revolving
Condition:	Open	Open	Open
Responsibility:	Individual	Individual	Individual
Pay Status:	Current	Current	30 Days Late
Date Opened:	06/01/2011	06/2011	06/2011
Date Reported:	10/01/2012	10/2012	10/2012
Balance and Limit:	\$750	\$750	\$750
Payment and Terms:	\$732	\$732	\$732
High Balance:	\$763	\$750	\$750
Past Due:	\$0	\$0	\$20
Remarks:			

Two Year Payment History:

Experian										CUR	CUR	CUR	30	60	CUR	CUR	CUR	CUR	30	CUR	CUR	CUR	CUR	30	CUR	CUR	CUR	CUR	30	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct						
TransUnion										CUR	CUR	CUR	CUR	30	CUR	CUR	CUR	CUR	30	CUR	CUR	CUR	CUR	30	CUR					
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct						
Equifax	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	30	CUR	CUR	CUR	CUR	30	CUR	CUR	CUR	CUR	30	CUR					
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct						
			2011												2012															

Seven Year Payment History:

	<u>Experian</u>	<u>TransUnion</u>	<u>Equifax</u>
30 Days Late:	3	3	3
60 Days Late:	1	0	0
90 Days Late:	0	0	0

The Free Money Credit Card

	<u>Experian</u>	<u>TransUnion</u>	<u>Equifax</u>
Account Number:	056-9800***	056-9800***	56-9800***
Type:	Revolving	Revolving	Revolving
Condition:	Open	Open	Open
Responsibility:	Individual	Individual	Individual
Pay Status:	Current	Current	Current
Date Opened:	09/01/2009	08/2009	09/2009
Date Reported:	10/01/2012	10/2012	10/2012
Balance and Limit:	\$7,685; \$8,000	\$7,685; \$8,000	\$7,685; \$8,000
Payment and Terms:	\$320	\$320	\$325
High Balance:	\$9,422	\$9,400	\$9,400
Past Due:	\$0	\$0	\$0
Remarks:	Over credit limit		

Two Year Payment History:

Experian	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
TransUnion	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
Equifax	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
			2011												2012										

Seven Year Payment History:

	<u>Experian</u>	<u>TransUnion</u>	<u>Equifax</u>
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30 Days Late:	0	0	0
60 Days Late:	0	0	0
90 Days Late:	0	0	0

Main Collection Agency	Experian	TransUnion	Equifax
Account Number:	000102331***	056-9800***	56-9800***
Type:	Installment	Revolving	Revolving
Condition:	Closed	Open	Open
Responsibility:	Individual	Individual	Individual
Pay Status:	Charge-Off	Current	Current
Date Opened:	08/01/2008	08/2009	09/2009
Date Reported:	10/01/2012	10/2012	10/2012
Balance and Limit:	\$550	\$7,685; \$8,000	\$7,685; \$8,000
Payment and Terms:	\$550 each month	\$320	\$325
High Balance:	\$1,100	\$9,400	\$9,400
Past Due:	\$680	\$0	\$0
Remarks:	Original Creditor: Rent-All Apts.		

Two Year Payment History:

Experian	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
TransUnion	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Equifax	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR	CUR
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
			2011												2012									

Seven Year Payment History:

	Experian	TransUnion	Equifax
30 Days Late:	0	0	0
60 Days Late:	0	0	0
90 Days Late:	0	0	0

Talk Talk Telephone Service Provider	Experian	TransUnion	Equifax
Account Number:	000050902***	000050902***	50902***
Type:	Installment	Installment	Installment
Condition:	Open	Open	Open
Responsibility:	Individual	Individual	Individual
Pay Status:	60 days late	30 days late	60 days late
Date Opened:	04/01/2007	04/2007	04/2007
Date Reported:	10/01/2012	10/2012	10/2012
Balance and Limit:	\$0	\$0	\$0
Payment and Terms:	\$114	\$114	\$114
High Balance:	\$362	\$342	\$342

Past Due: \$228 and fees \$228 \$228
Remarks:

Two Year Payment History:

Experian	CUR	CUR	30	60	CUR	CUR	CUR	CUR	30	60	CUR	CUR	CUR	CUR	CUR	CUR	30	CUR	CUR	CUR	CUR	CUR	30	60
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
TransUnion	CUR	CUR	CUR	30	60	CUR	CUR	CUR	CUR	30	60	CUR	CUR	CUR	CUR	CUR	30	CUR	CUR	CUR	CUR	CUR	CUR	30
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Equifax	CUR	CUR	30	60	CUR	CUR	CUR	CUR	30	60	90	CUR	CUR	CUR	CUR	CUR	30	CUR	CUR	CUR	CUR	CUR	30	60
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
			2011												2012									

Seven Year Payment History:

	Experian	TransUnion	Equifax
30 Days Late:	4	4	4
60 Days Late:	3	2	3
90 Days Late:	0	0	1

Public Record Information

Judgment	Experian	TransUnion	Equifax
Type:	Traffic ticket	Traffic ticket	Traffic ticket
Status:	Filed	Filed	Filed
Date File/Reported:	06/01/2012	06/01/2012	06/01/2012
How Filed:	Individual Acct	Individual Account	Individual Acct
Reference Number:	10-11-15	10-11-15	10-11-15
Closing Date:	08/01/2012	08/2012	08/2012
Court:	County Court	County Court	County Court
Liability:	\$716	\$358	\$358
Remarks:	City is pursuing collections	In collections	Collections

Inquiry Information

Creditor Name	Date of Inquiry	Credit Bureau
Shop 'Til You Drop	06/01/2010	TransUnion
A Very Big Bank	08/01/2011	Equifax
Need More Credit? Credit Card Company	04/01/2012	Equifax
Keeping You Insured	12/01/2012	Experian
The Dream Sales Job	12/01/2012	TransUnion

Creditor Information

Creditor Name	Address	Phone Number
Sam's Electronic World	123 Main Street, Anywhere AZ 00000	(800) 000-1234
Shop 'Til You Drop Corporate	333 Garden Street, Anywhere NY 00000	(866) 000-4567

Credit Reports and Scores

Advanced Level

The Importance of a Credit History for Obtaining Credit

Credit refers to borrowing. You have used credit if you receive money, goods, or services in exchange for your promise to pay back a definite sum of money at a future date. For example, if you receive a loan to pay for higher education expenses, you are using credit.

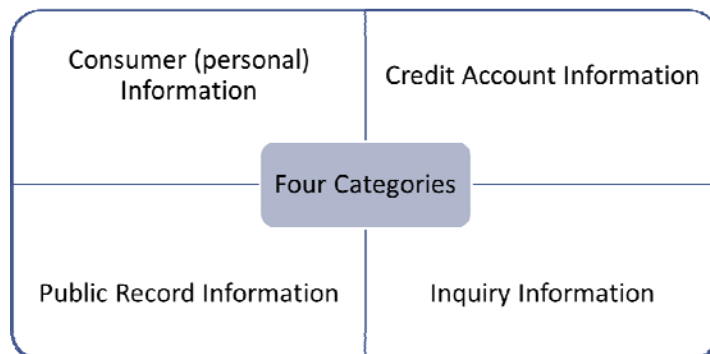
When a lender grants credit to a borrower, the lender “trusts” the borrower to repay what was borrowed. To help determine whether or not to grant the borrower credit (as well as determine the terms of credit offered), a lender will often examine the borrower’s credit history. A **credit history** is a record of the borrower’s past loans and credit-related transactions. Your credit history is presented in your **credit report**, the record of your use of credit.

Credit Reports and Credit Reporting Agencies

Credit reporting agencies (sometimes called credit bureaus) create credit reports based on the information they receive from lenders regarding your account history with that lender. **Credit reporting agencies do not decide whether or not to grant you credit; the agencies only collect credit history information.**

There are three credit reporting agencies in the United States: Equifax, Experian, and TransUnion. Therefore, you may have three credit reports (one from each credit reporting agency). Because lenders choose what information to report and to which credit reporting agency (ies) that information is shared, your credit report may vary across the three national credit-reporting agencies. If you have never used credit, or it has never been reported for you, then you will not have a credit report.

Credit report information is divided into four categories:



- 1.** Consumer (personal) information – This is information you have provided to lenders when applying for credit. It includes your name, current and previous addresses, telephone number, full or partial Social Security number, date of birth and current and previous employment information.
- 2.** Credit account information – The largest section of most credit reports contains specific information about each of your credit accounts.

Credit account information may include:

- ▶ *Type of credit* – there are two main types of credit on your credit report: closed-end credit and open-end credit.

Closed-end credit

(also known as installment credit) is a loan that you must repay in a specified number of equal monthly payments. Examples of closed-end credit include automobile loans, mortgages, and education loans.

Closed-end credit usually has an agreement (contract) that must be signed outlining the repayment terms such as the amount of the payment, the number of payments that will be made and the interest rate.

Open-end credit

(also known as revolving credit) is extended as a line of credit established in advance so you do not have to apply for credit each time new credit is desired. Credit cards are a type of open-end credit. A unique feature of open-end credit is that you can pay the loan balance in a single payment or a series of equal or unequal payments, usually monthly. You choose how much to pay each month. However, the lender typically requires a specified minimum monthly payment.

- ▶ *Loan amount or credit limit* – For closed-end loans your credit report will indicate the original loan amount. Open-end credit will indicate a **credit limit**, which is the maximum dollar amount that can be borrowed. If credit limit is not available, the report may indicate the highest balance ever on the account.
- ▶ *Date* – Information for each account will show the dates the account was opened, closed and last reported.
- ▶ *Account balance* – The account balance shows the remaining amount you owe the lender.
- ▶ *Payment information* – For each account, your credit report presents the size of your monthly payment, whether the payment is late (and by how much) and your payment history on the account including the number of late payments over time.

3. Public record information - This section of the credit report presents information from federal, state, and county public court records. This may include credit accounts that have been turned over to **collection agencies**, which are businesses hired by lenders to pursue payments on debts that borrowers have not paid back according to the terms of the credit contract. If you have filed for bankruptcy, if you have any **tax liens** (when taxes are not paid in full), and any history of **foreclosures** (when a borrower fails to keep up with mortgage payments and the lender takes possession of the property) this information will also appear in a credit report.

4. Inquiry information – An inquiry occurs when someone with permissible purpose requests a copy of your credit report. Credit reporting agencies record all inquiries received in the prior two years.

In order for a credit reporting agency to provide a person or business with your credit report it is law that the person/business must have a “permissible purpose.” Permissible purposes to receive your credit report include:

- Open or manage credit accounts
- Provide offers for credit
- Underwrite insurance
- A business transaction initiated by the consumer
- Court order or federal jury subpoena
- Valuation of risk of an investor
- Eligibility for government license
- Disclosure to consumer
- Employment purposes

The specific information included for each account on your credit report will depend upon the type of account.

Lenders such as depository institutions, credit card companies, retail stores that offer credit, and mortgage/finance companies usually report all information, positive and negative, to credit reporting agencies.

Data furnishers such as landlords, cell phone companies, utility companies (electricity, gas, water), and medical providers most likely only report when the consumer has not paid the money owed to them. For example, if you are late paying your cell phone bill, the cell phone company may report that information to credit-reporting agencies. Medical providers may report late medical payment but may not report non-financial medical information, such as what was treated or the treatment facility. Increasingly, credit-reporting agencies are encouraging and compiling regular payment information from non-creditors such as apartments and utilities as a way to help consumers build a positive credit history.

Race, religion, gender, and nationality may not be included on a credit report. In addition, credit reporting agencies do not record information regarding non-credit depository institution account information (such as checking and savings accounts), criminal backgrounds, or buying habits.

***Your Present Self
Impacts Your Future Self***

Time is the only way to remove potentially negative information from your credit report. Information remains on your credit report for a specific amount of time depending on the type of information.



Do you use credit? If so, what types?

Credit Scores

A **credit score** is a numerical summary of your credit history that indicates your creditworthiness, or likelihood of repaying a loan as agreed. Basically, a credit score is a numeric “grade” of a person’s creditworthiness. Credit scores enable lenders to make more objective and consistent lending decisions quickly and fairly.

There are different types of credit scores, each calculated differently. The most common credit scores available to consumers are produced by credit reporting agencies and companies such as Fair Isaac, Corp (FICO) and VantageScore.

FICO scores and VantageScores are calculated using only information from your credit report including (but not limited to) items such as:

- ▶ the number of credit accounts you have
- ▶ the type of credit accounts you have (closed-end versus open-end)
- ▶ whether you pay your bills on time
- ▶ how much of your available credit you are currently using – this is usually for open-end credit where the amount owed is compared to the credit limit
- ▶ whether a collection agency is trying to collect debt from you for a lender
- ▶ the total amount of money you currently owe to all lenders
- ▶ how long you have had current credit accounts
- ▶ whether you have a prior bankruptcy, foreclosure or other credit-related public record items in your credit report

**Positive
Credit
History**

**Higher
Credit
Score**

Because FICO scores and VantageScores are calculated only from the information in a credit report, any information not allowed in your credit report is not used to calculate your credit score. So, items such as race, religion, age, salary, occupation, employment history, where you live, interest rates on current credit accounts, and net worth are not used to calculate your credit score. However, although this information is not included in a credit score, each of these items (with the exceptions of race and religion) may still be considered when a lender reviews a credit application.

Each credit-scoring model has its own range of scores. Credit scores typically range between 300 and 990. Higher scores represent a greater chance of the consumer repaying a loan. Each credit scoring method has its own scale that helps a lender evaluate the probability that you will repay the loan. For example, the FICO credit score ranges between 300 and 850, and the VantageScore credit score ranges from 501-990. For both of these scoring models, your score will be displayed along with how you rank relative to other borrowers (such as excellent, good, average, or A, B, C, etc.). It is possible to have an “excellent” score from one scoring model and a “good” score from a different scoring model.

Why is it important to have a positive credit history?

A positive credit history informs lenders that you are financially responsible and therefore pose less risk. If you have a negative credit history or no credit history you may not be able to obtain credit.

Credit history also helps a lender determine the terms of credit granted. These terms may include the interest rate and loan length. Over a lifetime, you will pay more for credit (in higher interest rates and fees) if you have a lower credit score as illustrated in the example:

This is based on a 3-year, \$15,000 automobile loan			
FICO Score	Interest Rate	Monthly Payment Made	Total Amount Paid
730	6.16%	\$457	\$16,452
660	8.77%	\$475	\$17,100
590	14.43%	\$516	\$18,576

Note: As your credit score decreases, your interest rate increases.

Credit history can affect more than just credit. It also impacts:

▶ **Insurance -**

Insurance companies may use your credit report and/or score to decide whether you can get insurance and to set the rates you will pay.

▶ **Employment -**

Employers may use your credit report if you give them permission to do so, to decide whether to hire you.

▶ **Public Utility Services**

– Telephone, cable and utility companies may use your credit report and/or score to decide whether to provide services to you.

▶ **Housing -**

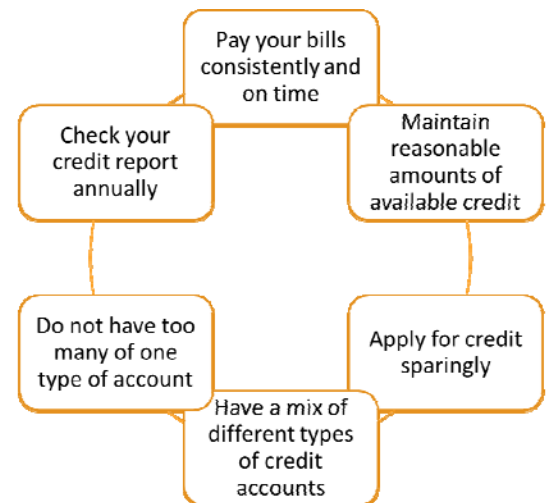
Landlords may use your credit report and/or score to determine whether to rent a place to live to you.

How do you develop a positive credit history?

Understanding what is included in your credit report and what information is used to calculate your credit score will help you to keep your credit history positive. Follow these tips:

- Pay your bills consistently and on time – Setting up automatic payments can ensure this gets completed.
- Maintain reasonable amounts of available credit – Keep low balances on credit cards and other revolving credit with credit limits.

- Apply for credit sparingly – When you apply for credit a lender will most likely request to view your credit report. This is recorded as an inquiry. Inquiries from a lender that are initiated by you when seeking additional credit may negatively affect your credit score. However, credit-scoring models recognize that a person may want to shop around to find the best credit terms. Therefore, multiple inquiries for the same type of loan, like a mortgage or automobile loan, are counted as a single inquiry if conducted within any 14-day period. This minimizes or eliminates any impact on a credit score. Inquiries that are not initiated by you (such as for pre-approved credit offers), inquiries not related to credit (such as pre-employment checks), and checking your own credit report do not affect your credit score.



- Have a mix of different types of credit accounts and not too many of one type of account - A mix of closed-end credit and open-end credit may improve your score. However, too many of either type of credit may also hurt your score.
- Check your credit report annually – Confirm that all information is correct.

Having no credit history may also result in the denial of credit. You will not develop credit history if you have no credit accounts in your name or pay cash for all purchases.

How do you begin to develop a credit history?

To begin building a positive credit history, experts recommend that you acquire and positively manage small lines of credit. The following are credit options for those who need to begin building positive credit history:

▶ Become an authorized user on a credit card: Have a parent or guardian add you as an “authorized user” on a credit card account. An authorized user isn’t legally responsible for the debt, but the history and use of the credit card is reported on the authorized user’s credit report. However, being an authorized user may not contribute to the establishment of positive credit history if the credit card has negative credit history associated with it. In addition, authorized user accounts typically have less positive impact on credit scores and depending on the scoring model may not be included in the score calculation at all because the authorized user is not responsible for the debt.

▶ Obtain a small closed-end loan from a depository institution: Acquire a small closed-end loan for an item that you already have money to pay for. Have that money available in a separate account, and set up automatic withdrawals to make the loan payments. This will ensure no late payments, showing that you use credit responsibly. If you are under the age of 18, you must have an adult co-signer to obtain a closed-end loan.

▶ Obtain a secured credit card: A secured credit card requires a cash security deposit to ensure payment of the credit card. Essentially, the deposited money ensures the credit card company that the credit card will be paid, regardless of whether you have a prior payment history.

▶ Obtain a cosigner: Apply for a credit card with a parent or guardian as a co-signer. A **co-signer** is a person who is equally responsible for paying back debt under the credit terms. Make sure co-signers understand that they are equally responsible for the debt, and it will appear on their credit report as well. Then, manage the credit card account very responsibly by paying the balance on or before the due date. In order to obtain a credit card if you are under the age of 21, you must have a co-signer or proof of sufficient income to make payments.

Think before you co-sign!
Regardless of who uses the account or pays the bills, all information, (good and bad) will appear on your credit report.

Obtaining Credit Reports and Scores

Credit Reports

By federal law, everyone must be able to obtain one free credit report from each of the three credit reporting agencies (Equifax, Experian, and TransUnion) every twelve months.

You may request your credit report in three ways:

1. Visit the website www.annualcreditreport.com
2. Call 877-322-8228
3. Write to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. You will have to provide certain information to access your report, such as your name, current address (and possibly your previous address), Social Security number, date of birth and answer questions about your personal credit history.

Laws vary between states. Some states may allow additional free access to credit reports and scores.

There are many websites that advertise access to free credit reports. However, www.annualcreditreport.com is the only government-sponsored, free website. Most other websites charge some type of fee.

To continually monitor your credit report, it is recommended that you request a credit report from one of the three credit reporting agencies every four months. If you need more than one of each of your credit reports per year you can acquire them at a price set by law. It's important to request your credit report even if you have never used credit before to ensure that no one is fraudulently using your name to obtain credit.



If a company denies you credit because of information in your credit report, the company must supply you with the name and address of the credit-reporting agency that supplied the credit report. You can then request a free copy of your credit report to review within 60 days of being denied credit regardless of whether you have already received a free copy in the past 12 months.

The law that allows you a free copy of your credit report each year does not extend to credit scores. Credit scores have to be ordered separately and usually cost a fee. The three credit reporting agencies are the primary source for obtaining your credit scores, although FICO scores can be ordered directly from Fair Isaac, Corp. The content of your credit report across each of the three credit reporting agencies may vary, which means you could have three different FICO scores (and similarly for VantageScores).

What if I find errors in my credit report?

It is important to examine your credit reports and make sure all information is correct because there's always a possibility of finding errors. If you find errors, you have the right by federal law to dispute the information and request that the error be deleted or corrected.

To submit a dispute, you should contact both the credit reporting agency that provided the report and the company/person that provided the incorrect information to the credit-reporting agency. Your dispute must be investigated usually within thirty days. When the investigation is complete you will receive the written results of its investigation. If the dispute is found to be an error, either the credit reporting agency or the company/person that provided the incorrect information to the credit reporting agency must notify all three credit reporting agencies of the error so the agencies can correct the information in your credit reports.

If an investigation does not resolve your dispute and remove the information from your credit report, you can ask that a statement of the dispute be included in your future credit reports. The statement will be included in a "Consumer Statement" section of all future credit reports. You also can ask the credit bureau to provide your statement to anyone who received a copy of your report in the recent past, but you may have to pay a fee for this service.

If you are dissatisfied with the dispute resolution, you can file a complaint with the Consumer Financial Protection Bureau to receive individual assistance.

There are many debt repair agencies that advertise the ability to help a consumer 'fix' his/her negative credit report for a fee. The Better Business Bureau (BBB) and the Federal Trade Commission (FTC) agree: Consumers can do just as good a job improving their credit reports as a fee-based debt repair agency. There is no immediate fix for negative credit; it will take time and responsible credit management initiated by the consumer.