



Welcome!

The session will
begin soon



Schedule

**Financial
Sense**

1

Identity Theft

September 24: 12:00 - 12:50 PM ET

3

CONSIDERING HOMEOWNERSHIP

October 22: 12:00 - 12:50 PM ET

4

Mortgages

November 5: 12:00 - 12:50 PM ET

2

CREDIT REPORTS & SCORES

October 8: 12:00 - 12:50 PM ET

Learn more and RSVP at:
gvsu.edu/alumni/fs



Credit Scores & Reports

Discover what credit scores and reports actually are and how they can affect your life.



Workshop Goals

- 1 Explore the importance of credit scores and reports.
- 2 Discover how to access information about your credit score and report.
- 3 Develop strategies to build and improve your credit.
- 4 Identify ways to protect your credit from incorrect claims and fraud.



What is a Credit Score?

The three-digit rating that tells a lender how likely you are to repay debt.



Poor
<579



Fair
580-669



Good
670-739



Very Good
740-799



Exceptional
800-850



Do You Know Your Credit Score?

POLL QUESTION

How well do you know your credit score?

- A. I know it exactly.
- B. I have a rough idea.
- C. I don't know it.
- D. What's a credit score?



Credit Bureaus

There are three main credit bureaus in the United States.

Credit scores are based on the information in the credit reports from these three bureaus:



Credit Score Models

FICO

- Majority of lenders still use FICO credit scores to make lending decisions

Vantage

- Created in 2006 in collaboration with the three major credit bureaus.

Each offer different types of credit scores depending on what kind of information lenders are requesting and weighs credit factors differently.



| Types of Credit Scores

If you are taking out an auto loan, for example, a lender might check your FICO Auto Score.

If you are applying for a credit card, a lender might look at your FICO Bankcard Score.

If you don't have much of a credit history yet, you can sign up for UltraFICO to have your banking activity factored into your credit.



Where to Check Your Credit Score

You can check your credit score for free in online banking if you are a Consumers Credit Union member.

	Type of Score	Cost
CreditWise® from Capital One	Vantage Score	Free
Discover® Credit Scorecard	FICO	Free
IdentityForce	Vantage Score	\$17.95 or \$23.95 per month, depending on plan
IdentityGuard	Vantage Score	\$16.67 or \$25 per month, depending on plan
Mint	VantageScore	Free
MyFICO	FICO	\$19.95, \$29.95 or \$39.95 per month, depending on plan
Experian	FICO	Free
Experian	VantageScore	One-time access for \$7.95 or \$14.95, depending on plan
Equifax	Equifax	\$19.95 per month
TransUnion	VantageScore	\$24.95 per month



What is a Credit Report?

Your credit report is a snapshot of your credit profile, including your credit history.

Credit reports help lenders understand your creditworthiness and how likely you are to repay a loan.



Personal Information

Name: Joe Sample	Date of Birth: 09/15/1979	Address: 901 Main Street Anytown, USA 12345
SSN: XXX-XX-XXXX	Telephone: (555)555-5555	

Employment information:

Acme Widgets	2011-2015
Joe Sample	1997-2012

Account Information

My Bank: Bank Name	Pay Status: Paying as Agreed	Date Opened: 10/24/2010
Balance: \$0	Account Type: Revolving Account	
Credit Limit: \$500	Loan Type: Line of Credit	

Payment History:

Year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
2015	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok
2014	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok	ok

Personal information

Information that distinguishes you from others with similar names: Name, current and previous addresses, Social Security number, telephone number, date of birth, etc.

Employment information

Past and present employers, your position, and when you were hired.

Account information

Your entire credit history, including opened and closed credit accounts, credit limits, and payment history. This can include student loans, auto loans, mortgages, and credit cards.

Public record information

Publicly available reports on delinquent accounts, liens, bankruptcies, lawsuits, etc. A public record can remain on your credit report for a number of years, depending on the type of account.

Public Record

None listed.

Credit Inquiries

Bank	Requested	Inquiry Purpose
Town Bank	09/12/2011	Credit Transaction

Special Message

None at this time.

Bureau Contact Information

Please contact us for any reason at (123)444-5678 or online at CreditReportingBureauofAmerica.com

Credit inquiries

People or companies who have requested your credit report, the date they requested it, and the reason for the request, over the past two years. Businesses must have a legitimate reason to access your report.

Special messages

Notes about your credit report that can include discrepancies within your personal information or reported fraud or theft.

Bureau Contact information

Who to contact if you see mistakes or have questions about anything in your credit report.

Reading Your Credit Report

Your credit report contains the following information:

Public Records

- Lawsuits and bankruptcies
- Judgments
- Delinquent or unpaid taxes

Personal Information

- Name and birthdate
- Social Security Number
- Name of spouse and/or employer

Credit Accounts

- Debt type, status, and amounts
- Open and closed accounts
- Payment History

Credit Inquiries

Organizations, people or agencies that have requested to verify your credit over the last two years.



Items That Don't Show Up On Your Credit Report

- Rent
- Utilities
- Cell phone payments
- Banking balances or activities

Unless any of the above go to collections and are reported.



Tale of Two Friends

Anna and Bella have been friends since middle school. They are both single and have a steady income to pay their bills.

Anna and Bella decide to buy homes in their childhood neighborhood. Bella receives a loan without any issues. Unfortunately, Anna has a difficult time getting a loan.

When Anna is finally approved for a mortgage, her interest rate and insurance premiums are much higher than Bella's.

Why do you think this happened to Anna?



What is Affected by Your Credit Score?

- Loan approvals
- Interest rates
- Landlords and rental options
- Cell phone
- Insurance
- Job hunting



Building Credit

- 1 Open a line of credit.
- 2 Request that your payment history be reported.
- 3 Open a joint account.
- 4 Pay all bills on time and in-full. Never miss a payment.

**Don't forget about
Consumers Credit Union.
We're always here to help!**



Other Loan Options to Build Credit

1

Consumers Credit Union "Credit Smart"

<https://www.consumerscu.org/personal/financial-resources/credit-counseling>

2

Pre-paid credit cards (commonly offered)



Free Credit Report

You can get one free credit report per year from **Annual Credit Report**.

AnnualCreditReport.com
1.877.322.8228

You can also get a free credit report from **Experian, TransUnion and Equifax** if:

- You've reported fraud;
- You need to apply for welfare; or
- You are denied a loan or credit application.



Costs of Co-Signing

Anna just bought a new house, but it is further away from work than her old apartment. She needs a new way to get to work and would like to purchase a new car. Anna has taken some steps to improve her credit and is now eligible for a car loan. She wants to use the loan to get a new car, but she has a problem: she needs someone to co-sign. Anna decides to ask her friend Bella for help.

WHAT DO YOU THINK?

Should Bella co-sign on a loan for Anna?



Repairing Credit

How to improve low or damaged credit.

- 1** Monitor your credit report and score.
- 2** Pay your bills on-time and in-full whenever possible.
- 3** Seek help from a credit counselor.
- 4** Consider financial products.



Credit Repair Scams

To improve her credit, Anna researches several credit repair companies.

One company promises to remove all bad credit information from Anna's report. All she has to do is pay an up-front fee. Anna is worried about her bad debts, but the company assures her that it can scrub all negative information from her report. The company also advises Anna not to contact the credit bureaus directly, since doing so will negatively affect the company's efforts.



Credit Repair Red Flags

Don't fall victim to credit repair scams.



Request to pay up-front fees for a credit repair service.



Promise to scrub ALL negative information.



Promise to scrub or alter legitimate information.



Warning not contact the credit bureaus directly. It is your legal right to dispute errors for free.

Other Signs of Credit Repair Scams

- Asking for a signature on blank paperwork.
- If a company doesn't explain your legal rights or they ask you to misrepresent information.
- If it sounds too good to be true, it probably is.



How to Dispute Items

How to correct false information on your credit report.

If you discover incorrect information on your credit report, you'll need to contact the bureau whose report found the error. Each of the credit bureaus has its own process for filing a dispute, so be sure to check their website for how to move forward.



Credit Counseling Services

How to seek help from certified professionals.

**National Foundation for
Credit Counseling** nfcc.org

**Financial Coaching
Association of America**
fcaa.org

Consumers Credit Union members have exclusive access to GreenPath Financial Wellness's credit counseling services.

GreenPath Financial Wellness
greenpath.com/consumerscreditunion



How to Improve Credit

- Use less than 30% of your available credit
- Do **NOT** max out your credit card(s)
- Pay your bills on time
- Pay off your credit card bills each month in full, if possible
- Pay off your loans on time
- Do not apply for multiple loans and credit cards at the same time
- Make a financial plan to reduce debt
- Create and follow a monthly budget
- Review your credit report for accuracy



Summary

- 1** Understand the importance of credit scores and reports.
- 2** Know how to access information about your credit score and reports.
- 3** Identify strategies to build and improve your credit.
- 4** Understand how to protect your credit from incorrect claims and fraud.



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Your Money. Your Life.

Complimentary digital resources available 24/7.

As your partner in financial wellness, Consumers offers a wealth of resources and financial literacy content to help you feel confident in your financial decision-making, including relevant presentations, quick and informative online courses, and a robust library of financial courses, educational blogs, podcasts and videos.

Online financial literacy courses are 3-5 minutes long, mobile friendly, and ADA compliant. Discover our personalized playlists, which match your financial goals with relevant course recommendations.

Topics Include:

- Financial basics
- Budgeting and building your credit
- Owning a home
- Preparing for retirement
- Buying a car
- And more!

The screenshot displays the Consumers Credit Union website. At the top left is the logo for Consumers Credit Union. The hero section features a collage of images: a man in a car giving a thumbs up, a family of four, and a man holding a Consumers credit card. A dark blue overlay contains the text "Your Money. Your Life." and "Consumers is proud to be your financial partner as you live, work and play. Take a look at the tools we have to help you build a financial plan for every stage of your life." Below this is a white button that says "LET'S GET FINANCIALLY FIT TOGETHER!".

The "Select a Topic" section contains four cards:

- Financial Foundations**: Understand the basics of some key financial concepts. Includes an icon of a classical building and an "EXPLORE" button.
- Investing in Your Future**: Learn how to be more financially prepared in the years ahead. Includes an icon of a graduation cap and an "EXPLORE" button.
- Building Financial Capability**: Learn how to manage your money and avoid financial dangers. Includes an icon of a calculator and an "EXPLORE" button.
- Owning a Home**: Explore the benefits and costs of buying and owning a home. Includes an icon of a house with a heart and an "EXPLORE" button.



Thank you!



ConsumersCU.org | 800.991.2221



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