

# Credit Report Quick Reference Guide

Your credit report is available to you and to any of your creditors. What you do with your credit now stays with you for a very long time. It's no wonder they call it a credit "history."

Like your grade-point average, which is calculated based on classroom results, a positive credit history will result in a favorable credit score. A higher credit score indicates that you are a good credit risk and helps ensure that you get more credit later on to buy a house or a car.

## How Do You Establish Good Credit?

- Pay off your revolving credit balances (bank and store credit cards) in full.
- If you can't pay your balance in full, make at least the minimum payment.
- Pay your bills on time.
- Undercharge. Don't charge as much as your limit allows.

## How Do You Lose Good Credit?

- Making late payments.
- Exceeding the credit limit on your credit card.
- Writing bad checks.
- Defaulting on a loan.
- Filing for bankruptcy.

## What Happens When You Have a Bad Credit Report?

- You may not be able to rent an apartment.
- You may not be able to buy a house.
- You may not be able to purchase, lease or rent a car.
- You may not be able to obtain other forms of credit.
- If you are able to get credit, you will end up paying very high interest rates.
- You can be turned down for a job.
- It's like getting a bad grade — it stays on your permanent record.

## How Do I Access My Credit Report?

You can obtain a free copy of your credit report each year from each of the three major credit reporting agencies by visiting [www.annualcreditreport.com](http://www.annualcreditreport.com). For a fee, you can view your credit score on each individual credit reporting agency website: [www.equifax.com](http://www.equifax.com), [www.transunion.com](http://www.transunion.com) and [www.experian.com](http://www.experian.com). Or you can visit [www.myFICO.com](http://www.myFICO.com) to purchase FICO scores for all three credit reporting agencies for one price.

## Discussion Questions

Why is it important to have a solid credit history and good credit score?

How does a negative credit score affect your financial life?