# Credit Report and Score Worksheet

## PURPOSE

Understanding your credit score is the first step to improving it, if necessary, or maintaining one that is already healthy. A high score can save you money when it comes to applying for a mortgage, car loan, credit card, or any other loan. A low score, unfortunately, can cost you money. Lenders use credit scores to help assess the level of risk associated with borrowers. Some employers, landlords, and insurance companies also use credit scores when making decisions about job applicants, potential tenants, or insurance policyholders.

### What is a Credit Score

A credit score is a number ranging from 300-850 that depicts a consumer's credit-worthiness. The higher the credit score, the more attractive the borrower. Credit scores are calculated using information in your credit reports including things like your credit card payment history, the amount of debt you have, and the length of your credit history.

### Why is a Credit Score Important and How Does it Impact You

A higher score means you have demonstrated responsible credit behavior in the past, which may make potential lenders and creditors more confident when they are reviewing your application for a car, education or home loan. Lower scores can result in higher interest rates or even being denied a loan.

### How do I Find Out About my Credit Score

Your credit score is available to you through credit reports. There are three major credit reporting agencies (also known as bureaus) that collect information related to finances. Each credit agency compiles that information into three reports, one for each agency. These agencies are: Equifax, Experian, and TransUnion.

Watch this video, published by TransUnion, to learn what information is included on each credit report. (This video presents the order of components for TransUnion specifically. Know that the order of components may vary depending on which report you’re reviewing.)



You can review your full reports from each of the credit reporting agencies, for free, once per year from [AnnualCreditReport.com](http://annualcreditreport.com). You have the option to review all three reports at once, or you may stagger reviewing the reports throughout the year (one every 4 months is a common option).

## ACTION

For this activity, you will be looking at your credit report from one of the credit reporting agencies.

First, go to [Annualcreditreport.com](https://www.annualcreditreport.com/index.action) and pull your credit report from at least one of the credit reporting agencies (see the note on the previous page for alternatives).

Next, look up your credit score provided by your bank, credit card company, or through [Credit Karma](https://www.creditkarma.com/)\*. To access your credit score via your bank and credit card company, look for “View my FICO Score” if provided.

\*Please note the credit scores given by Credit Karma are meant to give a general idea of a consumer’s credit score and may not accurately reflect the credit score a prospective lender uses.

With this information, you are now able to complete the worksheet and answer the following questions.

### Information from the Credit Reporting Agency

| **Item** | **Amount** |
| --- | --- |
| Number of Revolving Accounts on Report: | # |
| Number of Installment Loans on Report: | # |
| Number of Hard Inquiries on Report: | # |
| Number of Public Records on Report: | # |
| Number of Collections on Report: | # |

### Credit Score Information

| **Question** | **Response** |
| --- | --- |
| What resource is providing this score? |  |
| Which agency is the score based on? |  |
| FICO score or VantageScore? |  |
| What is your score? |  |

### Reflection Questions

Please take some time to think about your Credit Score and write down your thoughts to the following questions:

1. What factors are positively affecting your credit score?
2. What factors are negatively affecting your credit score?
3. What are some steps you could take to improve your credit score?

## NEXT STEPS

Once you have successfully completed this Financial Wellness Activity, you have increased your understanding of your own financial well-being. You are now prepared to use this information to protect and manage your credit and better understand the issues financial institutions must consider when considering loans to their customers (you!).

You are now one step further in MyPlan. At this point we encourage you to discuss your progress with a faculty or staff member at Clark College, such as an academic advisor or faculty advisor, Financial Wellness Coach, Career Services staff, or class instructor.

It may be useful to print out and refer to this completed activity before your meeting, or email it to the staff/faculty ahead of time.