



# Credit Awareness



**TD Bank**

America's Most Convenient Bank®



# Introduction:

## What to Expect and Objectives

### Learning Objectives:

- Examine how credit scores and reports impact financial opportunities
- Set personal goals for your credit and financial future
- Discover and prioritize easy ways to build, maintain, and repair your credit
- Explore common credit misconceptions and frequently thought questions
- Find out how to access, navigate, and understand your credit report
- Identify tips and strategies for credit cards
- Discuss next steps and resources to learn more





# Introduction:

## What to Expect and Objectives

### Frequently Thought Questions

- Does checking my own credit report lower my score?
- How often should I check my report?
- What do I do if there is incorrect information?
- How is my score calculated?
- How do I improve my score?
- In what financial situations (ex: opening credit card, getting an apartment, buying a car) is my credit being checked?
- How does it impact my score when a lender checks it?
- Should I only have one credit card?
- Should I maintain a credit account where I hold my checking?
- How do I choose the best credit card?





# Introduction:

## Identify Your Why

# Goal Setting

How is a strong credit score  
going to help you?





# What is a Credit Score?

## How Does It Impact Our Financial Choices?

How does  
credit influence  
our daily lives





# What is a Credit Score?

How Does It Impact Our Financial Choices?

## You have many different credit scores

It's normal to see slightly different numbers. In general, credit scores range from 300-850. The higher the score the greater our credit worthiness to potential lenders.

Example Score	Example Score	Example Score
726	698	711
You saw your credit score online, provided by your credit card company.	You signed up for a separate, free credit monitoring service, and checked your score there.	Your auto lender showed you the credit score it used to evaluate your loan application.

## Your credit history and behavior form the basis of your credit scores

Credit Report Data	Timing	Scoring Models
A score uses data from a credit reporting company, and each may have slightly different data:	Your scores are not calculated on a fixed schedule, so they depend on:	Companies have created multiple versions of their scoring models and update them frequently:
<ul style="list-style-type: none"><li>▪ Equifax</li><li>▪ Experian</li><li>▪ TransUnion</li><li>▪ Others</li></ul>	<ul style="list-style-type: none"><li>▪ When data is updated at reporting company</li><li>▪ When your score is actually calculated</li></ul>	<ul style="list-style-type: none"><li>▪ FICO</li><li>▪ VantageScore</li><li>▪ Other custom models</li></ul>





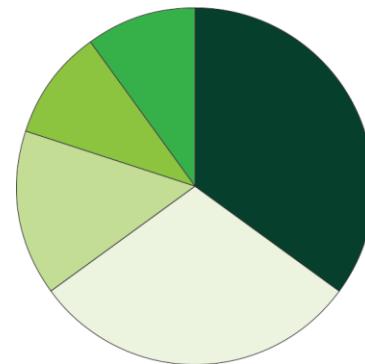
# What is a Credit Score?

How Does It Impact Our Financial Choices?

## Credit Score Factors

**Your credit history and behavior form the basis of your credit scores**

- Payment History
- Current Unpaid Debt and % of Available Credit Used
- Length of History
- New Credit Applications
- Types of Debt and When it Started



- 35% Payment History
- 30% Amounts Owed
- 15% Length of Credit History
- 10% New Credit Applications
- 10% Types of Credit





# Understanding Credit Reports

How many of you have checked your credit report?

## How to access a free credit report

- Visit [www.annualcreditreport.com](http://www.annualcreditreport.com) or call 1-877-322-8228 to request a FREE copy of your report annually.
- Equifax – [www.equifax.com](http://www.equifax.com) or 1-800-997-2493
- Experian – [www.experian.com](http://www.experian.com) or 1-888-397-3742
- Trans Union – [www.transunion.com](http://www.transunion.com) or 1-800-888-4213





# Understanding Credit Reports



## What Marie found on her credit report

- ↑ Identity information (full name, social security number, address)
- ↑ Current credit card use, she has two cards with less than 10% balance
- ↓ Car loan payments, bummer it's showing one late payment in her history
- ↑ Credit Age, oldest account 10 years –celebrating decade of responsibility Woot!
- ↓ Hard inquiries, wait it's saying she applied for loan that isn't accurate
- ↓ Derogatory marks, hold up, there's a collection listed for a utility bill that isn't accurate

**Tip:** Credit reports can have mistakes. That's why it's so important to read them. They tell your financial story so if there are mistakes you're the one most likely to spot them. For Marie, that hard inquiry and derogatory mark could be simple errors or signs of identity theft...it's best to report the errors.





# Understanding Credit Reports



# Credit Report Review Checklist

Download the checklist at

[http://www.consumerfinance.gov/documents/2233/201701\\_cfpb\\_Credit-report-review-checklist.pdf](http://www.consumerfinance.gov/documents/2233/201701_cfpb_Credit-report-review-checklist.pdf)

This step-by-step checklist walks through reading a credit report, watching for mistakes, and how to dispute inaccuracies.

## Credit report review checklist

Today's date: \_\_\_\_\_ Name of credit reporting agency: \_\_\_\_\_

1. Is your name correct?  YES  NO
2. Is your Social Security number correct?  YES  NO
3. Is your current address correct? Is your current phone number correct?  YES  NO
4. Are the previous addresses they have listed for you correct?  YES  NO
5. Is your marital status listed correctly?  YES  NO
6. Is the employment history they have listed for you accurate?  YES  NO
7. Is everything listed in the personal information section correct?  YES  NO
8. Is there anything listed in the public record information?  YES  NO  
Is it correct?  
*Highlight the information you think may not be correct.*
9. Are the accounts on the list still open?  YES  NO  
*Review each item under the credit account (trade account) section.*
10. Are all of the current balances correct?  YES  NO
11. Are accounts where you are an authorized user or joint owner listed?  YES  NO
12. Are zero balances recorded for debts discharged in bankruptcy?  YES  NO  
For debts paid in full?
13. Are you listed as a co-signer on a loan?  YES  NO  
Is this correct?
14. Are accounts that you closed listed as "closed by the consumer"?  YES  NO
15. Is negative information reported on each credit account correct?  YES  NO  
*Look for late payments and missed payments. Highlight those items you think are not correct.*
16. Are any accounts listed more than once?  YES  NO  
*Check to make sure the same account is not listed multiple times in the collections section.*
17. Is old negative information still being reported?  YES  NO  
*If yes, highlight the information that has exceeded the negative information reporting limit, which is usually seven years.*
18. Do you suspect that you have been the victim of identity theft after reviewing your credit reports?  YES  NO





## Building, Maintaining, and Repairing Credit

**There's no magic formula to building strong credit but there are some good guidelines:**

- **Pay your bills and loans on time, every time** - even if it's just minimum
- **Don't get close to your credit limit** – stay below 30% of the limit
- **Have high credit limits** – ask to get it increased and use it responsibly
- **Don't close your oldest credit card** – a long credit history will help your score
- **Only apply for new credit accounts that you need** – opening lots of accounts in short time is red flag to lenders
- **Fact-check your credit reports** – dispute inaccuracies





# **Building, Maintaining, and Repairing Credit:**

## Disputing Inaccuracies



### **Steps to filing a dispute checklist**

If you find something wrong with your credit report, you should dispute it. Mistakes can quickly damage your credit. To correct a mistake it can help to contact both the credit reporting company and the source of the mistake.

- Write a letter to the credit bureau that sent you the report.
- Provide the account number for the item you feel is not accurate.
- For each item, explain concisely why you believe it is not accurate.
- If you can, include copies of bills or cleared checks (money order stubs) that show you have paid them on time.
- Provide your address and telephone number at the end of the letter so the credit bureau can contact you for more information if necessary.
- Make a copy of your letter before you send it to the credit bureau.
- Send the letter. You may choose to use Certified Mail with Return Receipt to have proof of when the letter was received. The consumer reporting agency or the creditor generally has 30-45 days to investigate your claim.



# **Building, Maintaining, and Repairing Credit:**

## **Re-Establishing Habits**



**Sometimes things get off track, taking these steps can help to rebuild credit:**

- Know that it takes time to repair – it's important and worth the effort
- Review your report to identify areas for improvement
- Create a plan for reducing outstanding balances
- Improve your payment history – if needed call about payment plans
- Talk to your banker – Secured cards, credit builder loans, and other products can help establish and build credit.





# Credit Card Tips and Strategies

How can credit cards help and hurt your credit score



# Credit Card Tips and Strategies



## Key Considerations:

- **Convenience has a cost** –financial access when needed is great but interest adds up quickly
- **Responsible use pays off** – low balances and paying on time are great credit score builders
- **Read the fine print** – understand you're interest rates, special offers, and what you are responsible for
- **Stay in the know** – read letters, emails and other notifications
- **Can't make the minimum, grab the phone and call** – don't let a tough moment turn into a credit pitfall. Talk to your credit card company



# Thank You and Questions

## Resources for Next Steps

Learn personal finance skills right on your smartphone, tablet or computer. Visit the TD Bank learning center at [tdbank.com/financialeducation](http://tdbank.com/financialeducation) and register to get started.

[http://www.tdbank.com/personal/customer\\_advocacy.html](http://www.tdbank.com/personal/customer_advocacy.html)

<https://www.consumerfinance.gov/ask-cfpb/category-credit-cards/>

<https://www.consumerfinance.gov/consumer-tools/credit-reports-and-scores/>

<http://www.annualcreditreport.com>

<http://www.myfico.com>



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# Thank You and Questions

**Insert First Name Here  
Insert Last Name Here**

**Email – phone #  
Work Address Here**



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