

START
KNOWING
YOUNG

Education

Credit

S.K.Y. Youth Account Education Program

Credit Reports

- A statement that has information about your credit activity and current credit situation such as loan paying history and the status of your credit accounts.

Credit Report Includes

Includes

- All previous accounts/loans
- Payment status
- Credit limits
- Address info
- All names associated with SS #
- Record of inquiries
- Public Records (Bankruptcies, tax liens, monetary judgments)

Doesn't Include

- Salary history
- Checking or Savings account info
- Ethnicity
- Stocks/bonds
- Personal assets
- Criminal history

How long info stays on the report:

- Bankruptcies – **10 yrs.**
- Unpaid tax liens – **15 yrs.**
- Inquiries – **2 yrs.**
- Good info. – **Indefinitely**
- Late payments/public records – **7 yrs.**
- Your credit history follows you for **years**- treat it with care!

Who sees a Credit Report?

- Reports are pulled by financial institutions, insurance agencies, landlords, etc.
- You can review your report for free at Sky Federal Credit Union as a member.

Credit Score

- A **credit score** is figured from your credit history
- Credit scores tell lenders the likelihood of **failure to pay** in the next two to three years.
- Scores range from **380-830**, with 830 being the best

The Numbers

720+

Over 720: Will qualify for most offers of credit at the *best rates*

720-680

680- 720: Will qualify for most offers of credit at *good rates*

680-620

620 - 680: Will qualify for some offers of credit at *higher rates*

620-580

580-620: Will qualify for very few offers of credit at *very high rates*

Below 580

Below 580: Consumer beware! Will qualify for *virtually no credit offers.*

Good Credit

- **Make *on time* payments every time**
- **Avoid negative public records and collections**
- **Don't take your credit to the limit**
- **Keep your credit clean for the long-haul**
- **Don't open too many new accounts at once**
- **Apply for credit sparingly**

Reasons To Be Smart Now: #1

Car Insurance

- In addition to your driving record, insurance companies look at your credit record in determining your rates

Reasons To Be Smart Now: #2

Your apartment

- Landlords often pull your credit before signing a rental agreement
- They can charge higher move in fees or deny you tenancy if your credit is poor

Reasons To Be Smart Now: #3

Your job

- Most employers check your credit history- it's an indicator of how trustworthy you are
- May be used to decide between two equally qualified candidates

Reasons To Be Smart Now: #4

You *will* need loans and credit cards

- Believe it or not cash is not accepted everywhere
- Hotels and rental car companies often require use of a credit card

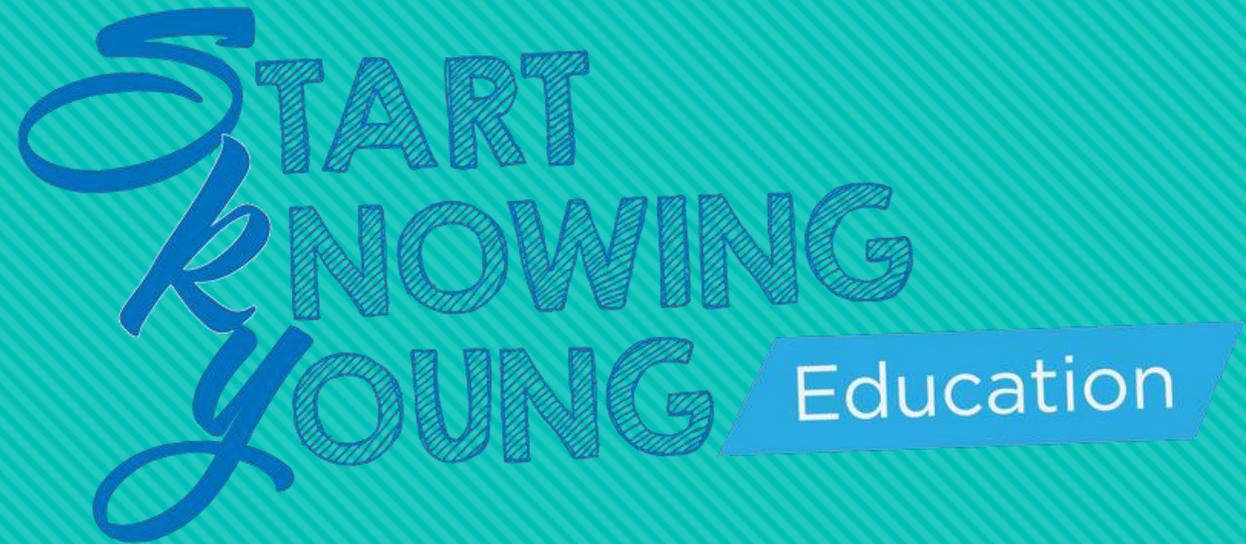
Reasons To Be Smart Now: #5

Your everyday finances

- Be careful with your savings and checking account too
- ChexSystems is like **a credit report for your bank accounts**
 - once you have a record you'll have a hard time opening new accounts

Remember

The financial decisions you make today will affect what you are able to do in the future!



Thank You!

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