



120 EAST 1000 SOUTH
PO BOX 657
BRIGHAM CITY, UT 84302
PHONE (435)723-5231

Common Questions About Your Credit Score/Report

What is my credit score?

A credit score is a number that lenders use to help them determine whether or not you are likely to pay them back if you borrow money.

Does my credit score alone determine whether or not I get credit?

No, most lenders use a number of facts to make a decision. Lenders look at information such as the amount of debt you can reasonably handle given your income, your employment history, and your credit history.

How fast does my credit score change?

Your credit score can change whenever your credit report changes. However, your score will probably not change a lot from one month to the next. During any given three month time period, only about one in four people have a 20-point change in their credit score.

How do mistakes get on my credit report?

If your credit reports contain errors, it is often because the report is incomplete, or contains information about someone else. This can happen by any of the following reasons:

- You applied for credit under different names. (Using Robert or Bob interchangeably)
- Someone has made a clerical error in reading or entering your name or address.
- You gave an inaccurate social security number or someone has misread your correct number and entered it into a credit application system.
- Your loan payments were made by mistake to the wrong account by the creditor and affected your payment history.

What kind of information is in my credit report?

The first part of the credit report is your basic identifying information. This section will have your name, address, social security number, birth date, and employment information.

The second part of the credit report is known as a trade line. This is the section that your credit accounts appear with their respective amounts and dates of record.

The third part of the credit report is known as the inquiry section. This area reflects the number of times you have applied for a loan and have authorized a lender to ask for a copy of your credit report. This section will also show "involuntary" inquiries, such as the ones that lenders use when they order your report to make you pre-approved credit offers in the mail.

The final part of the credit report is the public record and collection items section. This area reflects any public information such as bankruptcies, foreclosures, suits, wage attachments, liens and judgments.



120 EAST 1000 SOUTH
PO BOX 657
BRIGHAM CITY, UT 84302
PHONE (435)723-5231

Is credit scoring unfair to minorities?

No, scoring does not consider your gender, race, nationality, or marital status. The **Equal Credit Opportunity Act** prohibits lenders from considering this type of information when issuing credit. Scoring has also been found, by numerous studies, to be an accurate and consistent measure of repayment for all people who have some credit history.

How does credit scoring work?

Lenders can pull up your credit report to help them determine whether or not to lend you credit. They can also make their decisions from your credit score. The lender can purchase your credit score, which is an actual score, based upon the information in your credit report. The score is a mathematical equation that evaluates many types of information from your credit report at the bureau. By comparing your information with hundreds of thousands of past credit reports, the score identifies your level of future credit risk.

What is FICO or a FICO Score?

Credit bureau scores are often called "FICO Scores" because most credit bureau scores used in the United States and Canada are produced from software developed by the Fair Isaac Corporation (FICO). FICO scores are provided to lenders by the three major credit reporting agencies: Equifax, Experian, and TransUnion.

Your FICO score provides the best guide to future risk based solely on credit report data. This is why it is so important to know what is in your credit report. The higher your FICO score, the lower the risk to lenders: then the lower the interest rate attached to your loan. Again this is not the final determining factor, but it is one most looked at by lenders.

What is a good FICO score or credit score?

- FICO scores range from 300 to 850.
- The median FICO score in the U.S. is 692. – according to the Fair Isaac Corporation