

Credit History 101

When you open a credit card, take out a loan, pay rent, utilities, or student loans, you start building a credit history.

All of that info is made into a credit report

CREDIT REPORT

Your credit report shows:

- the debt you have
- balance on loans
- your credit limits
- and how good (or not good) you are at paying your bills on time.

The information on your credit report is used to calculate...

your **CREDIT SCORE**

FIVE FACTORS
DETERMINE CREDIT SCORE

30% IS HOW MUCH
YOU CURRENTLY OWE

35% IS YOUR
PAYMENT HISTORY

15% IS HOW LONG
YOU'VE HAD CREDIT

10% IS RECENT
CREDIT APPLICATIONS

10% IS YOUR
MIX OF CREDIT
(HOW VARIED)



\$ Your credit score is used by lenders (banks, credit unions, credit card companies) to calculate how much money they are willing to lend you. The higher your credit score, the more they will lend you and the **\$** better your interest rate will be. This is especially important when thinking **%** about buying a car or house.



FICO Credit Score Rating

Moral of the story
Starting your credit history off right can really put you ahead of the game.