



WHAT IS CREDIT?



Credit is a contractual agreement in which a borrower receives something of value now and agrees to repay the lender at some date in the future, generally with interest.

- A credit report contains information on where you work and live, how you pay your bills, and whether you have been sued, arrested, or filed for bankruptcy.
- There are three major credit bureaus:
 - Equifax: 1-800-685-1111 (www.equifax.com)
 - Experian: 1-888-397-3742 (www.experian.com)
 - TransUnion: 1-800-888-4213 (www.transunion.com)
- You can request a free credit report once a year from each of the three credit bureaus. To order your free report, you must go through www.annualcreditreport.com or call 1-877-322-8228.

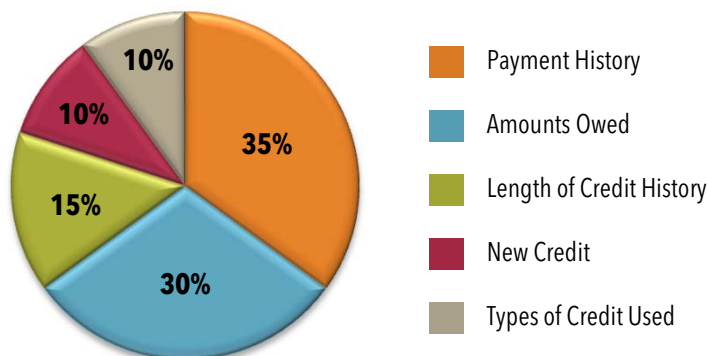
FICO CREDIT SCORE



- The information on your credit report is used to calculate your FICO score which is used by future lenders to weigh whether or not they want to extend credit to you.
- Your FICO score is a number between 300 and 850.
- The higher your score, the better.
- A high FICO score makes it easier to:
 - Obtain a loan
 - Rent an apartment
 - Lower your insurance rate
- Your FICO score is available from www.myfico.com for a fee.
- Free credit reports do NOT contain your credit score, but you can purchase it when you request your free credit report through www.annualcreditreport.com.

760 - 850	Excellent
700 - 759	Very Good
660 - 669	Good
620 - 659	Fair
580 - 619	Poor
500 - 579	Very Poor

How a FICO Score Breaks Down



Source: Federal Trade Commission

PLEASE NOTE: JNBA is not an agent of the Federal Trade Commission nor any affiliation with any of the three major credit bureaus. All credit related matters must be independently verified by required authority.

NEGATIVE INFORMATION



Negative Information on Your Credit Report

- Negative information about the use of your credit can be kept on your report for seven years.
- A bankruptcy can be kept on your report for ten years.
- Paid tax liens can be kept on your report for seven years.
- Unpaid tax liens can be kept on your report indefinitely.
- Information about a lawsuit against you can be kept on your report for seven years, or until the statute of limitations runs out, whichever is longer.
- Credit inquiries are kept on your report for two years.
- If a company denies you credit, housing, insurance, or a job due to a credit report:
 - They must provide name, address, and phone number of the credit reporting agency that provided the report.
 - You have the right to request a free credit report within 60 days if a company denies you credit based on the report.
 - If there is inaccurate or incomplete information on your report:
 - Contact the credit reporting agency and company that provided the information.
 - Tell the agency in writing what information you believe is inaccurate. Keep a copy of this letter.
 - If the information is incorrect, the company must notify all nationwide credit reporting agencies to correct your file.
 - If this doesn't solve it, ask that your statement concerning the dispute be included in your file.
 - If the information is accurate:
 - Only time, hard work, and a personal debt repayment plan will improve your credit.
 - Don't believe advertising from credit repair that offer to erase bad debt for a fee!

TIPS



Tips: Build a Better Credit Score

- Pay your bills on time.
- If you missed payments, get current and stay current.
- Keep balances low on your credit cards. High debt = lower score.
- Open new credit accounts only as needed. New accounts will most likely not raise your score.
- Pay off debt. Don't just move it around.
- Check your credit report and correct any errors.
- Remember, closed accounts are still included in your credit score. Closing an account does not make it go away.
- Best practice is to use only 30% of your available credit.

*And watch out for deals that offer you a fast, easy solution.
There is no quick fix for improving your credit score...it takes time and hard work!*