

BUILD YOUR BEST CREDIT SCORE

MYTH OR TRUTH

1. There is only one credit score. **MYTH**
2. Shopping for a loan lowers a credit score. **MYTH**
3. Credit reports are free. **TRUTH**
4. A low credit score has little impact on the interest rate a borrower pays. **MYTH**
5. Only banks and lenders use credit scores. **MYTH**

FIVE STEPS TO BUILDING YOUR BEST CREDIT SCORE

1. Monitor your credit report.
2. Check your credit score.
3. Understand the scoring system.
4. Find your motivation.
5. Manage debt wisely.



MONITOR YOUR CREDIT REPORT

WWW.ANNUALCREDITREPORT.COM



CHECK YOUR CREDIT SCORE

WWW.ANNUALCREDITREPORT.COM



UNDERSTAND THE SCORING SYSTEM

FICO® SCORE



VANTAGESCORE

Extremely Influential

- Payment History

Highly Influential

- Age and Type of Credit
- Percentage of Credit Limit Used

Moderately Influential

- Total Balances/Debt

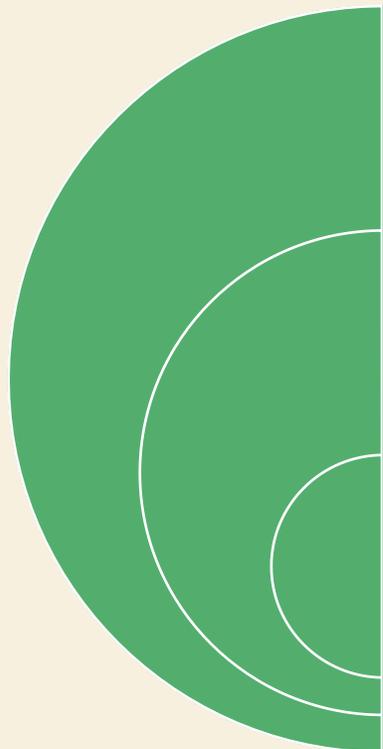
Less Influential

- Recent Credit Behavior and Inquiries
- Available Credit



**FIND YOUR
MOTIVATION**

FIND YOUR MOTIVATION



<h2>Your Future</h2>	<ul style="list-style-type: none">• Envision your future• Establish goals• Re-evaluate as needed
<h2>Goals</h2>	<ul style="list-style-type: none">• Written• Positive• Visible Often
<h2>Journal</h2>	<ul style="list-style-type: none">• Record spending• Evaluate• Use resources for goals



**MANAGE DEBT
WISELY**

DEBT TO DISPOSABLE INCOME RATIO

Total monthly debt payments (exclude mortgage)



= debt to income ratio

Net monthly income (your take-home pay)

15% or less





DEBT CHECK UP

- Pay more than the minimum
- Make ends meet, pay on time
- Have an emergency savings

DEBT REPAYMENT – MAKE A PLAN

- Lowest Balance First
- Highest Interest First
- Other Methods.....

www.powerpay.org

FIVE STEPS TO BUILDING YOUR BEST CREDIT SCORE

1. Monitor your credit report.
2. Check your credit score.
3. Understand the scoring system.
4. Find your motivation.
5. Manage debt wisely.

BUILD YOUR BEST CREDIT SCORE