

How to Build, Maintain and Sustain Good Credit



Information provided by EVERFI, Inc. and Consumer Financial Protection Bureau

So, What Is A Credit Score?

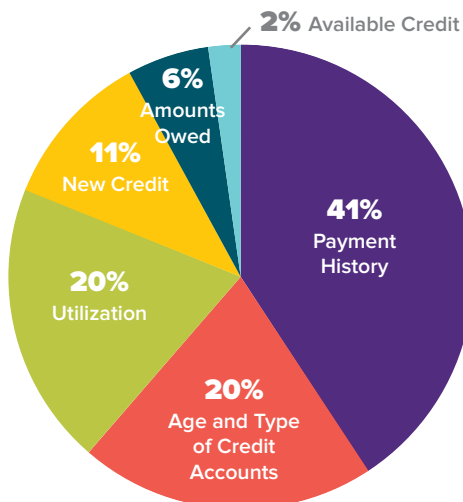
A credit score is a three-digit number that represents the creditworthiness of an individual based on factors from their financial history. Credit scores, whether low or high, can have a big impact on your life.



Understanding how credit scores and reports work may help you achieve financial goals such as buying a home, leasing a car, or paying off debt.

What Makes Up Your Credit Score?

- ▲ **41% Payment History**
(On-time payments or delinquencies)
- ▲ **20% Age and Type of Credit Accounts**
(Mortgage, Secure, Unsecured, Installment, etc.)
- ▲ **20% Utilization**
(Balance vs. total limit on revolving accounts)
- ▲ **11% New Credit**
(Credit inquiries, New Accounts)
- ▲ **6% Amounts Owed**
(Total debt)
- ▲ **2% Available Credit**



Aim High

Your credit score influences your entire financial life. Most companies and institutes look at your credit score to decide if and how they will do business with you. The higher your score, the more financial options will generally be available to you. Building up your credit may seem overwhelming but small changes can make big impacts over time.

Your credit score gets updated every month and shows how much risk you are to the lenders. In other words, it predicts how likely you are to pay back a loan on time, based on your credit files/reports. The widely used credit score system VantageScore, ranges from 300 to 850.

740 - 850
Excellent

701 - 739
Very Good

640 - 700
Good

610 - 639
Fair

300 - 609
Poor

My Credit Report

You can request your credit report from credit bureaus which collect information about your credit background and provide reports to other companies about you.

The three major credit bureaus are Experian, Equifax, and TransUnion. Upon request, each must provide you with a free credit report once every 12 months. You can request one free credit report each year, per agency.



To request your **FREE REPORT** scan this QR code or visit annualcreditreport.com

How do I get and keep a good credit score?

While there may not be a magic formula to building a strong credit score, there are guidelines that may help.

Establish Your Credit

▲ Open your first credit card

Opening your first credit card can help you establish your credit. Not only does it give you a new credit limit, but it also offers you an opportunity to build an on-time payment history. Centris offers products including a credit card and secured loan that may be able to help build or repair your credit.

▲ Make payments on time, every time

Paying off the balance of your credit cards each month helps get you the best scores. Make your loan payments on time and in full to establish positive credit history. One way to make sure your payments are on time is to set up automatic payments, or set up electronic reminders.

Improve and Maintain Your Credit

▲ Don't get close to your credit limit

Credit scoring models look at how close you are to being "maxed out," so try to keep your balances low compared to your total credit limit. If you close some credit card accounts and put most or all of your credit card balances onto one card, it may hurt your credit score if this means that you are using a high percentage of your total credit limit. Experts advise keeping your use of credit at no more than 30% of your total credit limit.

▲ Manage your debt strategically

Having debt isn't necessarily a bad thing—what matters is how you handle your debt. Though you may feel like it's easier to tackle the smallest debt, you should always pay off your highest-interest debt first. You can also consider debt consolidation to lower interest and/or monthly payment amounts while making consistent on-time payments on your installment loans.

▲ A long credit history will help your score

Credit scores are based on experience over time. The more experience your credit report shows with paying your loans on time, the more information there is to determine whether you are a good credit recipient.

Take Charge of Your Credit

▲ Monitor and Dispute

Regularly monitor your credit report for any discrepancies that can negatively impact your credit score. In addition, if you have been a victim of identity theft or fraud, your credit score can be negatively impacted. Contact any of the three credit bureau websites to start a dispute and learn about your options.

▲ Protect

If you have old credit card accounts you are not using, protect yourself by keeping an eye on these accounts to make sure that an identity thief is not using them.

▲ Explore

If you are new to credit, consider exploring products designed to help you establish and build credit. Centris Federal Credit Union offers various products and services dedicated to helping our members build or re-establish positive credit. Contact us today to learn how you can build, maintain and sustain good credit.



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