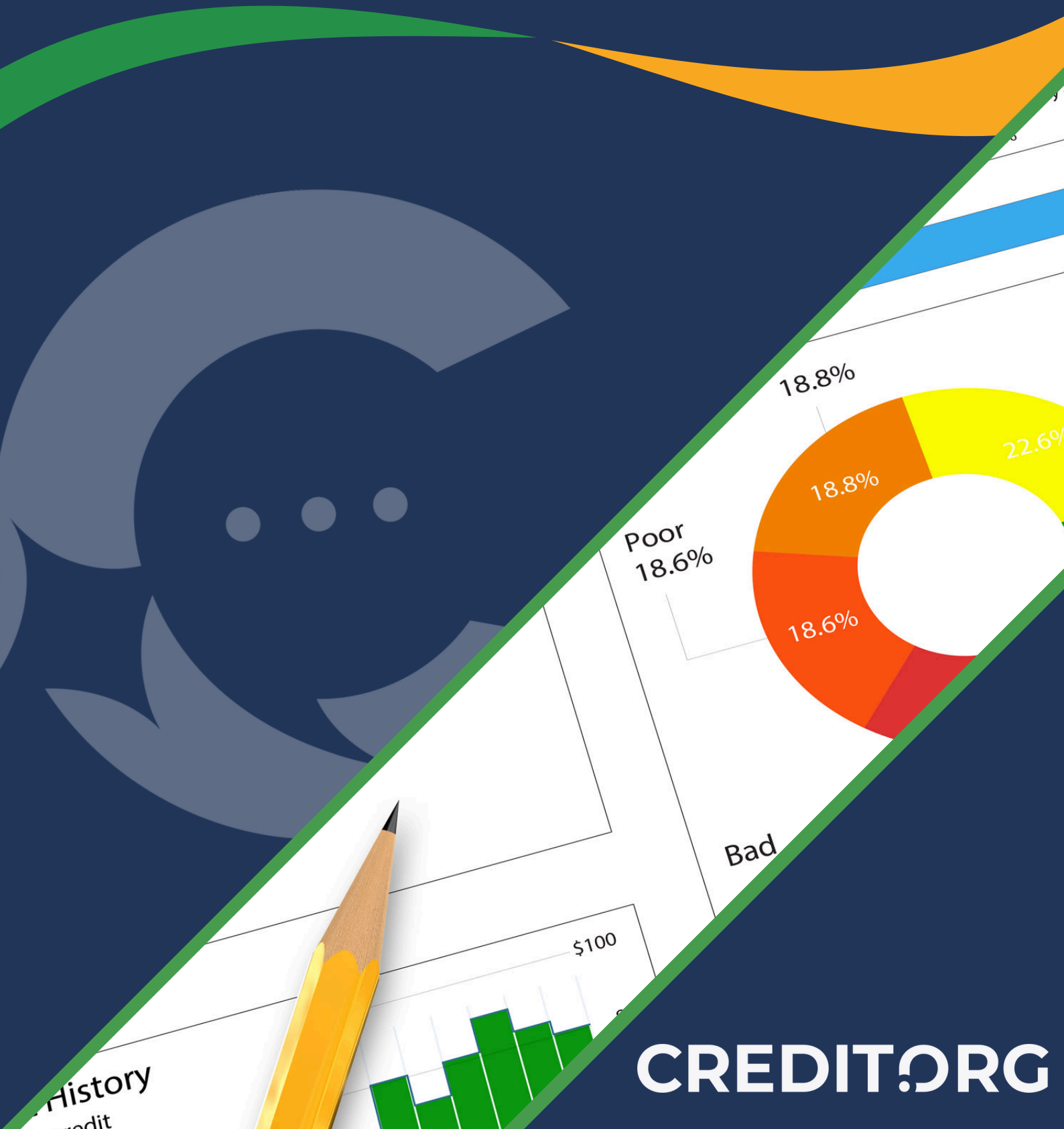
Credit DNA

Build It. Improve It. Own It.



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Your quick guide to understanding, building, and improving credit.

Welcome – Why Credit Matters
Credit can affect loan and credit card approvals, interest rates, renting an apartment, and sometimes employment-related credit reviews. Two people can buy the same car but pay very different amounts because of their interest rates. The good news: your credit is not permanent. You can improve it.

Your Credit History = Your Financial DNA
Your credit history tells part of your financial story: how you borrow, repay, and manage accounts over time. Think of it as an adult report card. A "thin credit file" means there is little information reported—not necessarily bad credit. Healthy habits help build a stronger story.

How Credit Is Born
Your history begins when a lender reports an account, such as a credit card, student loan, auto loan, or personal loan, to a credit bureau. Some services may also report rent, utility, or cell phone payments. Building credit takes time, so start with manageable accounts and pay on time.

Understanding Your Credit Report
Your report may include personal information (name, addresses, date of birth), account history (payments, balances, limits), collections or public-record information, and inquiries. Hard inquiries from applications may affect your score; soft inquiries, including checking your own credit, do not. Review for accounts, balances, or late payments that are incorrect.

Get Your Credit Report for FREE
Visit AnnualCreditReport.com, the authorized website for free reports from Equifax, Experian, and TransUnion. Free online reports are available weekly. Check all three for mistakes or signs of identity theft. A free report may not include a credit score. Type the website address directly to avoid lookalike sites.

Credit Scores – FICO vs. Vantage
Credit scores often range from 300 to 850 and help lenders estimate repayment risk. FICO and VantageScore use different models; your number may vary by model, bureau, and date checked. Newer models may consider additional information, including certain rent or utility payments. Focus on good habits rather than one exact number.

What Impacts Your Score
There are five common FICO scoring factors:

- Payment history (35%)
- Credit usage (30%)
- Length of history (15%)
- Credit mix (10%)
- New credit (10%)

Pay on time and keep credit card balances low. You do not need every kind of loan. Multiple applications may hurt, although qualifying loan rate-shopping inquiries may be grouped.

Getting Your Credit Score
Look for score access through your bank, credit union, credit card provider, or credit monitoring service, such as Credit Karma, Credit Sesame, or myFICO. Some show VantageScore, while lenders may use FICO. Checking your own score is a soft inquiry and does not hurt your credit.

Credit Myths

- Myth: Paying off debt erases it from your report.
  - Fact: Negative history can remain for years.
- Myth: Credit bureaus decide approval.
  - Fact: Lenders and other decision-makers do.
- Myth: Divorce removes shared debt.
  - Fact: You may still owe on joint accounts until the lender changes the obligation.

Improve Your Credit

Pay every bill on time. Aim to keep revolving credit card balances at or below 30% of limits, and pay in full when possible to avoid interest. Keep older accounts in good standing when appropriate. Limit new applications to credit you need. Progress takes time, but consistent habits can make a difference.

Know Your Rights

The Fair Credit Reporting Act protects how credit information is collected, used, and shared. The Fair Debt Collection Practices Act addresses unfair or abusive collection practices. You can review your reports, dispute inaccurate information, and learn who has accessed your credit.

Disputing Errors

If you spot an account you do not recognize, a wrong balance, a false late payment, a duplicate, or outdated information, identify the error and gather proof. File a dispute with the credit bureau, keep copies, and review the response. Do not ignore mistakes.

Sending a Dispute Letter

Clearly describe the error and the correction you are requesting. Include copies of identification, proof of address, the marked credit report page, and supporting records. Do not mail originals. Consider certified mail, and save letters, receipts, and responses in a separate file for each bureau.

Wrap-Up

Your credit report tells part of your financial story, but it does not define your future. Start with five habits: pay on time, keep balances low, check reports, dispute errors, and ask questions. If you need help, certified counselors can guide you through your options.

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