



AvenaCredit

THE COMPLETE MEMBER GUIDE

Take Control of Your *Credit*

*Everything you need to understand how credit works in Canada — and
the exact habits that build a score you can rely on.*



PREPARED FOR EVERY AVENACREDIT MEMBER • CANADA

Credit shouldn't be a mystery.

For something that shapes so much of your life — where you can live, what you can drive, the rates you're offered — credit is rarely explained clearly. Most people pick it up in fragments, often after a costly mistake.

This guide is the version we wish everyone got at the start. In the pages ahead you'll learn what a credit score actually is, who decides it, the five things that move it, and a thorough list of what to do — and what to avoid. We've added the myths worth ignoring, how to read your own report, and a plan to put it all into action.

Our role at AvenaCredit is to make the building part simple and automatic. Your role is the everyday habits in this guide. Master both, and your score takes care of itself.

— *The AvenaCredit Team*

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Why your credit score matters

Your credit score is a three-digit number — **300 to 900** in Canada — that sums up how you've handled borrowed money. Lenders, landlords, and others use it as a quick read on how reliable you're likely to be. The higher it is, the more doors open, and the less you pay to walk through them.



A general guide — each lender sets its own cut-offs, so a "good" score with one may be "very good" with another.

Where your score quietly follows you

- Renting a home**
 Many landlords pull credit before approving a lease — a strong score can be the difference.
- Phone & utility plans**
 Providers may check credit before offering a contract or waiving a deposit.
- Insurance & employment**
 In some cases, credit history factors into premiums or background checks.
- Loans & car financing**
 It decides whether you're approved, and at what interest rate and limit.
- Mortgages**
 Even a small rate difference, over decades, can mean tens of thousands of dollars.
- Everyday borrowing**
 Credit cards, limits, and the rates you're offered all trace back to your score.

The takeaway: *a strong score is one of the few things that lowers the price of nearly everything you borrow. Building it isn't about luck — it's about a handful of habits, repeated.*

Who calculates it & what's on your report

Your score is generated from your **credit report** — a running record of your borrowing, kept by two national bureaus. Understanding what's in that file is the first step to controlling it.

Equifax Canada

One of the two national credit bureaus. AvenaCredit reports your membership tradeline here every month.

TransUnion Canada

The second bureau. Lenders may check either one, which is why your two scores can differ slightly.

What your credit report contains

Identifying details

Your name, date of birth, current and past addresses, and employment information used to match records to you.

Your accounts (tradelines)

Every credit card, loan, line of credit, and reported account — with limits, balances, and a month-by-month payment record.

Credit inquiries

A log of who has looked at your credit, and when. **Hard** inquiries (new applications) are visible to lenders; **soft** inquiries (you checking your own, or pre-approvals) are not and never affect your score.

Negative records

Collections, accounts in default, bankruptcies, and similar items. Most negative information can stay on file for up to **six years**.

Soft vs. hard, simply put: *checking your own credit is a soft pull and is completely safe to do often. Applying for new credit is a hard pull — useful, but worth spacing out.*

The five factors, at a glance

Scoring models are proprietary, but they all weigh roughly the same five things. These approximate weightings are the standard teaching framework — and the two largest are also the two you control most directly.

**35%****■ Payment history**

Whether you pay on time. The single biggest factor — covered in detail next.

30%**■ Credit utilization**

How much of your available credit you're using. The fastest factor to improve.

15%**■ Length of credit history**

How long your accounts have been open and active.

10%**■ Credit mix**

The variety of credit types you manage — cards, loans, reported tradelines.

10%**■ New credit & inquiries**

How much new credit you've recently applied for.

*Payment history and utilization together are about **two-thirds** of your score — and both can change starting this month. That's where the next two pages focus.*

35%

SECTION 04 · DEEP DIVE

Payment history

This is the most important factor in your score, and the one a single mistake can damage most. The rule is simple: **pay at least the minimum, on or before the due date, every time.**

What counts as "late"

A payment is usually reported late once it's **30 days** past due. Missing the date by a day or two won't be reported, but interest may still apply — so on time is always the goal.

It gets worse over time

30, 60, and 90+ days late are recorded separately — the longer it goes unpaid, the heavier the mark. Accounts sent to collections or default do the most damage.

How long it lingers

A late payment or collection can stay on your report for up to **six years**. Its impact fades with time and good behaviour, but it doesn't vanish on request.

Minimums protect you

If money is tight, paying the **minimum** on time still keeps your history clean. A small on-time payment beats a large late one, every time.

WHAT TO DO

Set up **automatic payments** for at least the minimum on every account, and turn on reminders so nothing slips. If you've had a late payment, don't panic — start a clean streak now. Consistent on-time months are exactly what rebuilds this factor.

30% SECTION 05 · DEEP DIVE Credit utilization

Utilization is how much of your available credit you're using. It's the **fastest-moving** factor — change your balances and it can update within a single billing cycle.

How to calculate it

Divide your balance by your limit. A \$300 balance on a \$1,000 card is **30% utilization**. It's measured both per card and across all your credit combined.

The target

Keep it under **30%** — and under **10%** is even better. High utilization signals you may be stretched, even if you always pay on time.

The statement-date trick

Your balance is usually reported on your **statement date**, not your due date. Paying down before the statement closes can lower the number that gets reported.

More limit can help

A higher limit (or simply not closing old cards) increases your available credit, which lowers utilization — as long as your spending stays the same.

WHAT TO DO

Aim to keep each card **below 30%** of its limit. If you can, make a payment **before** the statement closes, not just before the due date. Avoid maxing out any card — even briefly — since the reported balance is what counts.

History, mix & new credit

The remaining third of your score rewards patience and balance. None of these can be rushed — but knowing how they work keeps you from accidentally hurting them.

15% · Length of history

Scoring looks at the **age of your oldest account** and the **average age** of all of them. Older, well-managed accounts give the score more to trust — which is exactly why closing an old card can backfire. The fix is simply time: open accounts responsibly and keep them.

10% · Credit mix

A healthy blend of **revolving** credit (cards, lines of credit) and **installment** credit (loans with fixed payments), plus reported tradelines, shows you can handle more than one kind of obligation. Don't take on debt just to diversify — let the mix grow naturally.

10% · New credit & inquiries

Each application creates a **hard inquiry**. One or two have a small, temporary effect; several in a short window can signal risk. When rate-shopping for one loan (a car or mortgage), multiple checks in a short period are often treated as a **single** inquiry.

The pattern across all three: *the best thing you can usually do is nothing dramatic — open what you need, keep it, pay it, and let time do the rest.*

The do list

✓ HABITS THAT BUILD

None of these is complicated. The power is in doing them *consistently*, month after month.

**Pay every bill on time, every time**

The highest-impact habit there is. Automate at least the minimum, and use reminders so a due date never slips past you.

**Keep your balances low**

Use less than 30% of any card's limit — under 10% is better. Paying before the statement closes helps most.

**Keep your oldest accounts open**

Length of history counts. An old card you rarely use is quietly working in your favour — leave it open and active.

**Let your credit mix grow naturally**

Over time, a blend of cards, loans, and reported tradelines looks stronger than a single account. No need to rush it.

**Check your own report regularly**

It's a soft pull and never hurts your score. Review it for errors and dispute anything that's wrong.

**Space out new applications**

Apply for credit only when you need it, and leave gaps between applications to limit hard inquiries.

**Pay your balance in full when you can**

You never need to carry a balance or pay interest to build credit. Paying in full is cheaper and just as effective.

**Be patient and consistent**

Credit is built in months, not days. Small steady actions compound into a strong, durable file.

The don't list

× MISTAKES TO AVOID

These are the quiet score-killers. Knowing them is half the battle.

-
- × **Don't miss or delay payments**
A late payment can stay on your report for years. If money's tight, pay at least the minimum on time.
 - × **Don't max out your cards**
Running a card near its limit hurts even if you pay it off later — the reported balance is what counts.
 - × **Don't apply for lots of credit at once**
Several applications in a short window stack up hard inquiries and signal risk. Space them out.
 - × **Don't close your oldest account**
It can shorten your history and shrink your available credit — both can pull your score down.
 - × **Don't ignore your report or its errors**
Mistakes happen. An unchallenged error can cost you points you never actually owed.
 - × **Don't carry a balance "to build credit"**
That's a myth. Carrying debt only costs you interest — paying in full builds credit just as well.
 - × **Don't co-sign or borrow beyond your means**
If you co-sign, their missed payment becomes your problem — on your report. Only take on what you can manage.
 - × **Don't fall for "instant fix" promises**
No one can erase accurate history overnight. Be wary of anyone who guarantees a fast, dramatic jump.
-

Credit myths, busted

A lot of "common knowledge" about credit is simply wrong — and some of it costs people money. Here are the ones worth unlearning.

MYTH *"Checking my own score will lower it."*

TRUTH Checking your **own** credit is a soft inquiry and has **no effect**. Check it as often as you like — staying informed is one of the best habits you can have.

MYTH *"Carrying a balance helps build credit."*

TRUTH You never need to carry debt or pay interest. **Paying in full** each month builds credit just as effectively — and keeps your money.

MYTH *"Closing a credit card helps my score."*

TRUTH Closing a card can **raise** your utilization and shorten your history — often hurting your score. Usually it's better to keep it open.

MYTH *"My income is part of my credit score."*

TRUTH Income isn't on your credit report and isn't a scoring factor. Lenders consider it separately — but it won't raise or lower your number.

MYTH *"I only have one credit score."*

TRUTH You have **several**. Equifax and TransUnion each calculate their own, using different models — so the exact number varies by source.

MYTH *"Paying off a collection erases it instantly."*

TRUTH Paying it is the right move, but the record can remain (marked **paid**) for the retention period. Its impact fades over time rather than disappearing at once.

Read your report & fix errors

Errors on credit reports are more common than people think — and an uncorrected mistake can quietly cost you. Reviewing your report is free, and fixing problems is your right.

1**Get your report**

You can request your credit report from both Equifax and TransUnion — for free. Pull both, since they can hold different information.

2**Check it carefully**

Look for accounts you don't recognize, wrong balances or limits, duplicate accounts, payments marked late that weren't, and outdated negative items.

3**Dispute what's wrong**

File a dispute with the bureau and include any supporting documents. They generally investigate within about 30 days and correct verified errors.

If you suspect fraud or identity theft**Act quickly**

Unfamiliar accounts or inquiries can be a sign someone is using your identity. Contact the bureau and the lender involved right away.

Add a fraud alert

You can place an alert on your file so lenders take extra steps to verify identity before opening new credit in your name.

Keep records

Note dates, reference numbers, and who you spoke with. A clear paper trail makes disputes and investigations faster.

*Reviewing your report a few times a year is one of the simplest ways to **stay in control** — and it's always a soft inquiry, so it never costs you a point.*

Where AvenaCredit fits

Think of building credit like building a house. **We pour the foundation; you build on it.**

AvenaCredit is designed to be the simplest way to get a positive account reporting to Equifax Canada every month — but the habits in this guide are what carry you the rest of the way.

WHAT WE HANDLE

The foundation

- A positive **membership tradeline** reported to Equifax Canada each month
- Optional **rent & utility reporting** — turning payments you already make into credit history
- On **Boost**, up to **2 years of rent backdated** plus personalized credit guidance
- Built-in **reminders** so a payment is never missed (next page)

WHAT'S ON YOU

The house

- Pay your **other** bills and cards on time, every time
- Keep your balances and utilization **low**
- Avoid unnecessary applications and **hard inquiries**
- Review your report and stay **consistent** — the foundation only pays off if you keep building

*We make the building part easy and automatic. What you do with the rest of your money still matters most — and that part is, and always will be, **yours**.*

Never miss a date

Payment history is the #1 factor in your score — and the easiest to protect. So we built reminders right in. AvenaCredit keeps track of what you owe and when, and tells you before it's due.

1

We track it

Your card's payment amount and due date are kept in your member dashboard — no spreadsheets, no sticky notes.

2

We remind you

You get a heads-up ahead of every due date, with the exact amount to pay, so it's never a surprise.

3

You stay on track

Pay on time, every time — protecting the single biggest piece of your score, automatically.

WHY IT MATTERS

One missed payment can undo months of progress and linger on your file for years. A timely reminder is one of the highest-value, lowest-effort things you can do for your credit — which is exactly why it's part of your membership.

Reminders help you remember — paying on time is still up to you. But with the date and amount in front of you, "I forgot" stops being a reason to fall behind.

Your roadmap

A simple sequence: build the foundation, protect it, then let consistency compound over the year.

DAYS
1–7

Set the foundation

Activate your AvenaCredit membership so your tradeline begins reporting to Equifax Canada, and turn on rent or utility reporting if it's on your plan. Pull your credit report once to know your starting point.

Goal: a positive account is now on its way to your file.

DAYS
8–30

Protect every payment

Switch on reminders and, where you can, automatic payments. Bring any card balances below 30% of the limit. The single rule this month: nothing is paid late.

Goal: a clean, on-time month across everything you owe.

MONTHS
2–3

Build the habit

Keep doing exactly that — on time, balances low, no unnecessary applications. Check your report again around day 90 to see your history building.

Goal: a track record, not a one-off.

MONTHS
4–12

Let it compound

Stay consistent and patient. As months of on-time payments and low balances stack up, length of history grows and your file strengthens. Review your report a couple of times across the year.

Goal: a steady, durable score you can rely on.

QUICK REFERENCE

Keep this page handy

The whole guide, distilled to a single page.

300–900

CANADIAN SCORE RANGE

<30%

KEEP UTILIZATION UNDER

~65%

OF SCORE IS PAYMENT +
BALANCES

6 yrs

HOW LONG MARKS CAN
LINGER

ALWAYS DO

- **Pay on time** — automate it or use reminders
- Keep **balances low**, under 30% of the limit
- Leave your **oldest accounts open**
- Check your **own report** — it's a soft pull
- Pay **in full** when you can
- Be **patient and consistent**

ALWAYS AVOID

- **Late or missed** payments
- **Maxing out** any card
- **Many applications** in a short window
- **Closing** your oldest card
- Carrying a balance **"to build credit"**
- Anyone promising an **"instant fix"**

The shortcut that isn't a shortcut: let AvenaCredit handle the reporting, keep your own habits clean, and give it time. That's how credit is built — clearly, and for good.

Glossary of credit terms

The vocabulary lenders use — in plain language, so nothing on your report is a mystery.

Credit score

A number from 300–900 summarizing your credit risk, calculated from your report.

Tradeline

Any account on your report — a card, loan, or reported line — with its payment history.

Revolving credit

Credit you can reuse as you repay, like a credit card or line of credit.

Hard inquiry

A credit check from a new application; visible to lenders and may slightly lower your score.

APR

Annual Percentage Rate — the yearly cost of borrowing, including interest and fees.

Collection

An unpaid debt passed to a collection agency; a significant negative mark.

Secured card

A card backed by a deposit, often used to build or rebuild credit.

Credit bureau

An agency (Equifax, TransUnion) that collects credit data and produces reports and scores.

Credit utilization

The share of your available credit you're using; balance divided by limit.

Installment credit

A loan repaid in fixed payments over a set term, like a car or personal loan.

Soft inquiry

A check that doesn't affect your score, such as viewing your own credit.

Minimum payment

The smallest amount due to keep an account current and avoid a late mark.

Default

Failing to repay as agreed; one of the most damaging entries on a report.

Credit limit

The maximum you can borrow on a card or line of credit.



Your credit, *in your hands.*

You now understand credit better than most people ever will. Keep this guide close, lean on your reminders, and let the steady months add up.

We'll handle the foundation — you've got the rest.

QUESTIONS? INFO@AVENACREDIT.COM

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