

# Credit Scores 101



What companies use my credit score and how:

BANKS - to determine if you qualify for a loan and what interest rate you will qualify for (the better credit score, the less interest you will pay over time)

INSURANCE COMPANIES - to determine your auto and home insurance premiums

LANDLORDS - to determine if you qualify to rent from them

CELL PHONE COMPANIES - to decide which plan you get (a higher score means a better plan)

UTILITY COMPANIES - to determine if you need to put a deposit down on new service

EMPLOYERS - to determine how a potential candidate handles responsibility; some jobs dealing with money require a good credit history to qualify; about 1/3 of all companies do credit checks for some of their candidates (they can't see your credit score but can see your credit history)

*Overall, you will end up paying more money, and/or not qualifying for things you want, if you have a lower credit score.*

## So what is considered a good credit score?

Excellent	=	800 - 850
Very Good	=	740 - 799
Good	=	670 - 739
Fair	=	580 - 669
Poor	=	579 - 0

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### Factors that affect your credit score:

- 1) Payment history (one late payment can affect your score)
- 2) Amount owed (total debt you are using divided by the total amount of your credit limits)
- 3) Credit history length (sometimes it just takes patience)
- 4) Credit mix (do you have accounts for different things)
- 5) New credit

*Did you know that everyone is eligible to a FREE credit report every year? Visit [www.annualcreditreport.com](http://www.annualcreditreport.com) to get yours today! You will be able to see your full credit history from Experian, Equifax and TransUnion, and check for any mistakes.*



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