



## Your Credit. Your Identity.

Why does having positive **credit** matter?

Using credit responsibly may help you build a positive credit history and a **strong credit score**, providing you with more opportunities to achieve your financial goals. When you show lenders, landlords, or even mobile phone providers, how you can handle your finances and use credit wisely, you may be able to pay less to borrow money for critical purchases such as:

### Building assets

Having good credit allows people to qualify for loans with favorable terms, and help them make large purchases.

### Starting a business

In order to obtain business loans and financing, lenders may want to see that the business owner has good personal credit to qualify for their loan products.

### Employment

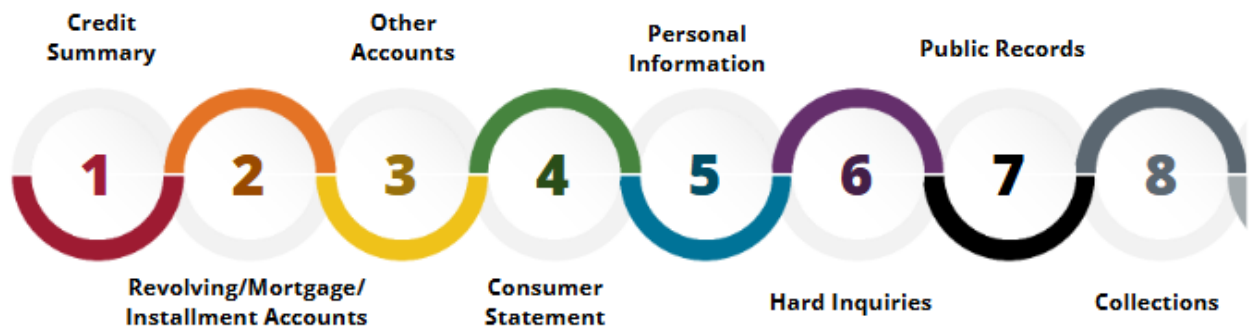
Many employers check credit reports before hiring employees to evaluate potential responsibility and dependability.

### Renting

Landlords typically check credit reports as part of the application process for potential tenants.

What is a **credit report**?

**Credit reports** tell a detailed story about you, including information about your financial accounts, and your payment history. Credit reports are important pieces of financial information that help lenders measure your level of credit risk, or the likelihood you'll pay your bills on time.



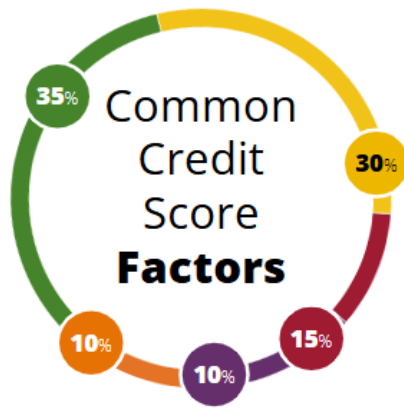
What is a **credit score**?

**Credit scores** are three-digit numbers generally ranging from 300 to 850. They are designed to represent your credit risk, or the likelihood you will pay your bills on time.

Credit scores are calculated using information from credit reports, such as payment history; the amount of debt owed; and the credit history length. There are many different credit scores, credit scoring models, and methods of calculating them.



What are some common factors that make up a **credit score**?



**Payment history:** how well you pay your bills

**Credit Utilization:** how much available credit you are using

**Length of credit history:** how long you have been using credit

**Credit mix:** how well you use different types of credit

**New credit:** how often you have applied for new credit recently

What are some best practices to **build and maintain credit**?

### Review credit reports at least once a year

It is a best practice for people to review their credit report from Equifax, TransUnion and Experian regularly. [annualcreditreport.com](https://annualcreditreport.com) offers free credit reports.

### Pay on time every month

Payment history has a big impact on credit scores. The most important habit a consumer can develop is to pay bills on time every month.

### Pay down debt

The Amounts Owed category also has a big impact on credit scores. This means that paying down debt balances and keeping revolving debt below 30% can greatly help to improve credit.

### Limit applications for new credit

It's best to limit applications for new credit to only a few times a year, and only when applying for new credit is a necessity.

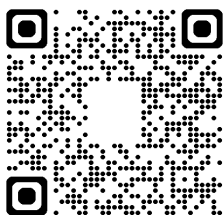
### Consider a credit freeze

Freezing your credit report is a great option to help prevent fraud and identity theft. This is different from a fraud alert, which notifies creditors that you are a victim of fraud and requires them to verify your identity before processing credit applications. You do not need to be a victim of fraud or identity theft in order to put a freeze on your credit.

Are there other **resources**?

Visit the [Equifax Consumer Knowledge Center](https://www.equifax.com/consumer/knowledge-center/) for more tips and tricks or use these QR codes.

#### Resources



#### Videos



#### Spanish

