

UNDERSTANDING CREDIT SCORES

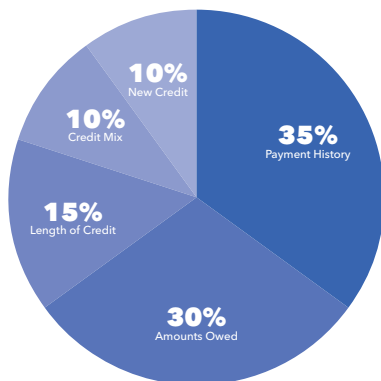
Almost everyone uses credit and having a good credit score is crucial to saving money, getting approved for loans, and is key to your financial success. Below, we go through what credit is and what impact your actions have on your credit score. By learning how to impact your credit score, you can ensure you build a strong credit history.

What is a Credit Score?

Your credit score is derived from any credit products you have, like credit cards, phone bill, auto loan, mortgage, student loan, etc.

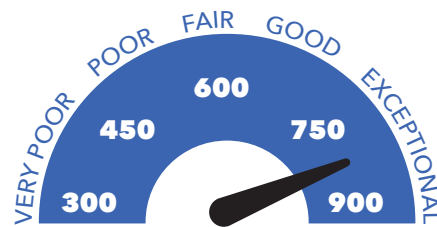
FIVE main components impact your credit score:

- Payment History (35%)
- Amount Owed on Credit (30%)
- Length of Credit History (15%)
- New Credit/Inquiries (10%)
- Types of Credit/Credit Mix (10%)



The most important factors that make up your credit score are payment history and the amount you owe on credit, followed by the length of time you've been using credit.

What's my Credit Score?



You'll see in the graphic, that credit scores range from very poor to exceptional. The lowest credit rating you can have is 300, and the highest is 900. It's best to be in the very good or exceptional rating when it comes to applying for loans because you are then perceived as a low risk.

Once you have a credit score, it doesn't go away, but it is ever-changing. The "riskier" your credit actions are, the lower your score goes. The more responsible credit actions you make, the higher your score goes.

Improving your Credit Score

- Make payments in full and in a timely manner
- Do not max your credit cards or lines of credit
- Only apply for credit when needed
- Don't sign up for a credit card for something free
- Pay off your loans quicker than suggested
- Don't close old credit cards or lines of credit, continue to use them occasionally

Questions

Contact:

E: housingprograms@metisnation.org

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