

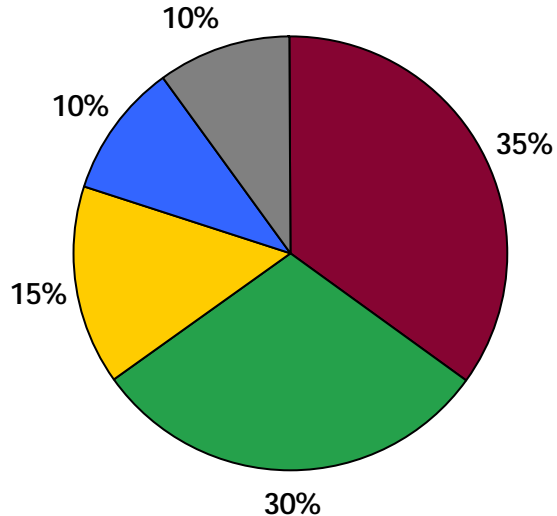
CREDIT SCORE

What is a Credit Score?

- Rating used to predict the risk a lender assumes in granting you credit
- How likely you are to make your payments on time in the next two to three years
- Based on a complex mathematical model that evaluates many types of information found in a credit file

What Factors Affect a FICO® Score?

- Gray 10% = New Credit
- Blue 10% = Type of Credit Used
- Gold 15% = Length of Credit History
- Green 30% = Amount Owed
- Brown 35% = Payment History



Facts About Your FICO® Score

- Ranges from 300 to 850, the higher the score the lower the credit risk
- Majority of scores in 600s and 700s
- For a score to be calculated, your credit report must
 - Contain at least one account that has been open for six months or more
 - At least one account that has been updated in the past six months
- Scores are dynamic and change as data is updated by credit reporting company

Educational Materials

To help you better understand and manage the critical role that credit plays in your daily life visit the following websites:

<http://www.mycrediteducation.com> "Take Control of Your Credit"

www.equifax.com

www.myfico.com

Five Credit Score Factors Every Credit Union Member Needs To Know

Many people lack knowledge about their credit scores, arguably the single most influential number in their lives. In fact, forty-nine percent of 1000 consumers polled do not understand that credit scores measure credit risks, according to a recent survey by the Consumer Federation of America and Fair Isaac Corporation, the company that created the most widely used credit score formula called FICO.

Here are the five categories that make up a FICO credit score and how the categories are weighted.

1) Payment History: 35%

This category includes payment history information about several types of accounts such as credit cards, retail accounts and installment loans. Many factors are considered including number of past due items on file, amount past due on delinquent accounts or collection items and severity of delinquency (how long past due). Here is a chart depicting the weight assigned to each year of an individual's payment history:

TIMEFRAME	APPROXIMATE WEIGHT ASSIGNED TO THAT YEAR
Most recent 12 months	40%
Prior 12 to 24 months	30%
Prior 24 to 36 months	20%
Prior 36 to 48 months	10%
Older than 4 years	0%

2) Capacity (Amount you Owe): 30%

The FICO scoring model weighs capacity heavily because it knows that the majority of Americans who go bankrupt charge up their cards to the limits before they file. The FICO model considers three separate components of an individual's credit when assigning points:

1. Installment balance compared to the original loan amounts.
2. Revolving account balance compared to an individual's revolving credit limit on an account by account basis; and
3. Total revolving account balances compared to an individual's total revolving limits. It is in your best interest to keep balances low on all revolving credit and pay off debt within open accounts instead of closing accounts and consolidating it into one or two accounts with higher balances

3) Length of Credit History: 15%

Even if you no longer want an older account, you should think twice before closing it. Lenders are looking for borrowers with long credit histories. Also, those with new credit should be cautious about opening many accounts. Rapid account buildup may look risky because of uncertainty in handling the credit. Hard inquiries, or requests from creditors for a copy of a report, are tracked on the credit report for 24 months. But, only the inquiries from the most recent 12 months are included in the FICO score calculations.

4) Types of Credit: 10%

This category looks at the overall mix of credit such as credit cards, mortgages or consumer finance accounts. You should try to balance the mix but are advised not to open new credit accounts for balancing purposes unless necessary. It is unlikely that adding accounts will improve your credit score.

5) New Credit: 10%

Approximately 10% of your credit score is based on how many recent new accounts you have established. This factor reviews:

1. Number of accounts
2. Length of accounts
3. Recent requests for credit report
4. Length of time since credit inquiries made,

CONSUMER CREDIT INFORMATION

FREE ANNUAL CREDIT REPORT; EQUIFAX, EXPERIAN, & TRANSUNION

www.annualcreditreport.com

Toll Free Number: 1-877-322-8228

Mailing Address:

Annual Credit Report Request Service
P. O. Box 105281
Atlanta, GA 30348-5281

CONSUMER FRAUD

Call the Identity Theft Toll-Free Hotline at 1-877-IDTHEFT (1-877-438-4338) press 4.

Social Security Administration 1-800-772-1213

EQUIFAX:

www.equifax.com

To order your credit report, call: 1-800-685-1111 (automated)

Write: Equifax

P.O. Box 740241

Atlanta, GA 30374-0241

To report fraud, call: 1-800-525-6285

EXPERIAN:

www.experian.com

To order your credit report, call: 1-888-397-3742

Write: Experian

P.O. Box 2002

Allen, TX 75013

To report fraud, call: 1-888-397-3742

TRANSUNION:

www.transunion.com

To order your credit report, call: 1-800-888-4213

Write: TransUnion

P.O. Box 1000

Chester, PA 19022

To report fraud, call: 1-800-680-7289

Additional Consumer Credit Information:

Consumers can choose to stop receiving preapproved offers of credit or insurance by calling 1-888-5OPT OUT (1-888-567-8688) or visit www.optoutprescreen.com.

www.mycrediteducation.com

www.ftc.gov/credit

www.myfico.com

CONSUMER DISPUTE INFORMATION

To Dispute Equifax Credit File Information:

If you believe that any of the information found on your consumer credit report is incorrect, there are the following ways to launch an investigation about the information on your report. The credit reporting company is not required to remove accurate data from your file unless it is outdated or cannot be verified.

To Initiate A Dispute:

◆ Online

Go to <http://www.investigate.equifax.com> to begin an online investigation of information found in your consumer credit file.

You must have your Ten-Digit Confirmation Number to gain access to the online investigation feature.

◆ By Mail

1. If you would like to dispute or change your Name or Date of Birth, you will need to send a copy of your Driver's License reflecting this change.
2. If you would like to dispute or change your Current Address, you will need to send a copy of your Driver's License or a utility bill reflecting this change.
3. If you would like to dispute your Social Security Number, you will need to send a copy of your Social Security card or W-2 form.

Equifax Information Services, LLC
P.O. Box 740256
Atlanta, GA 30374

◆ By Phone

A toll free number will be listed at the bottom of your on-line Equifax Credit File. You must have your Ten-Digit Confirmation Number to speak with a customer service representative via telephone.

General Dispute Types:

- **This item does not belong to me** - Equifax will verify all identification information with the source of the information.
- **I have never paid this account late** - Equifax will verify current and previous payment history with the source of the information.
- **This account is closed** - Equifax will verify whether or not the account is still active and if a credit limit or line of credit is still available to you.
- **This is a fraudulent account** - Equifax will verify all identification information and claims of fraudulent activity with the source of the information.
- **Fraudulent charges made on this account** - Equifax will verify all identification information and claims of fraudulent charges with the source of the information.