

# *Breakdown of a* **CREDIT SCORE**

BROUGHT TO YOU BY



- IT'S A -  
**MONEY  
THING®**



## *Before* **CREDIT SCORES**

- No standard for measuring risk
- Up to individual lenders to judge loan applicants

*What is a*  
**CREDIT SCORE?**



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**A credit score is a number used** by financial institutions and credit card companies **to determine risk level** when issuing you a loan or a credit card.

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**The FICO® Score is the most widely used credit score model in North America.**

It was introduced in 1989 by Fair, Isaac and Company, now Fair Isaac Corporation.

It's also known as the Beacon score in Canada.

Fair Isaac Corporation



**FICO**

TRANSUNION®

EQUIFAX®



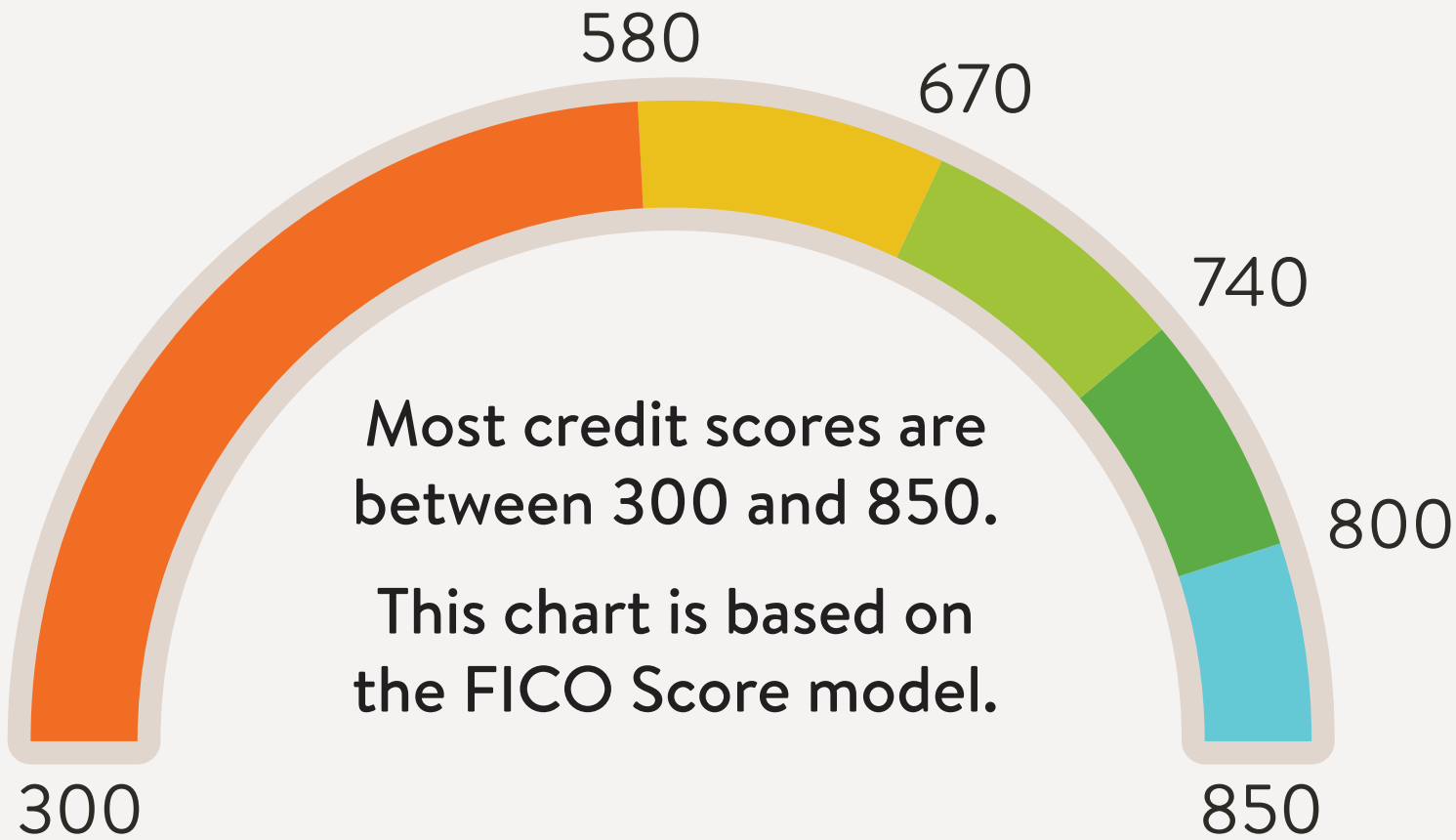
765

720

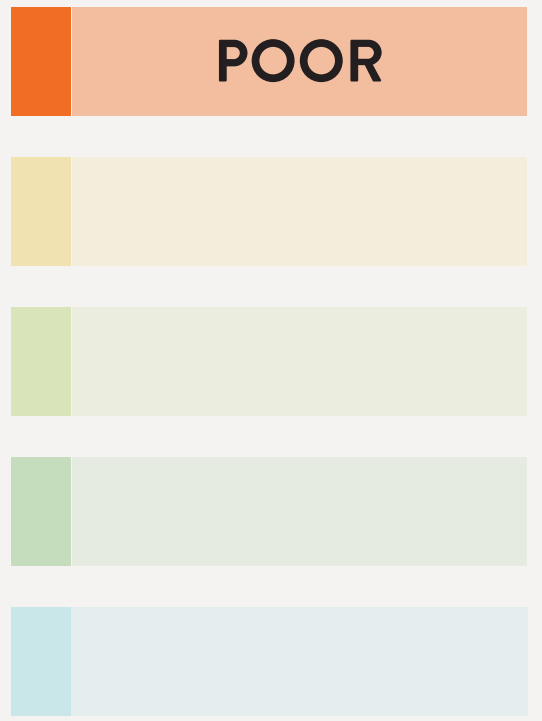
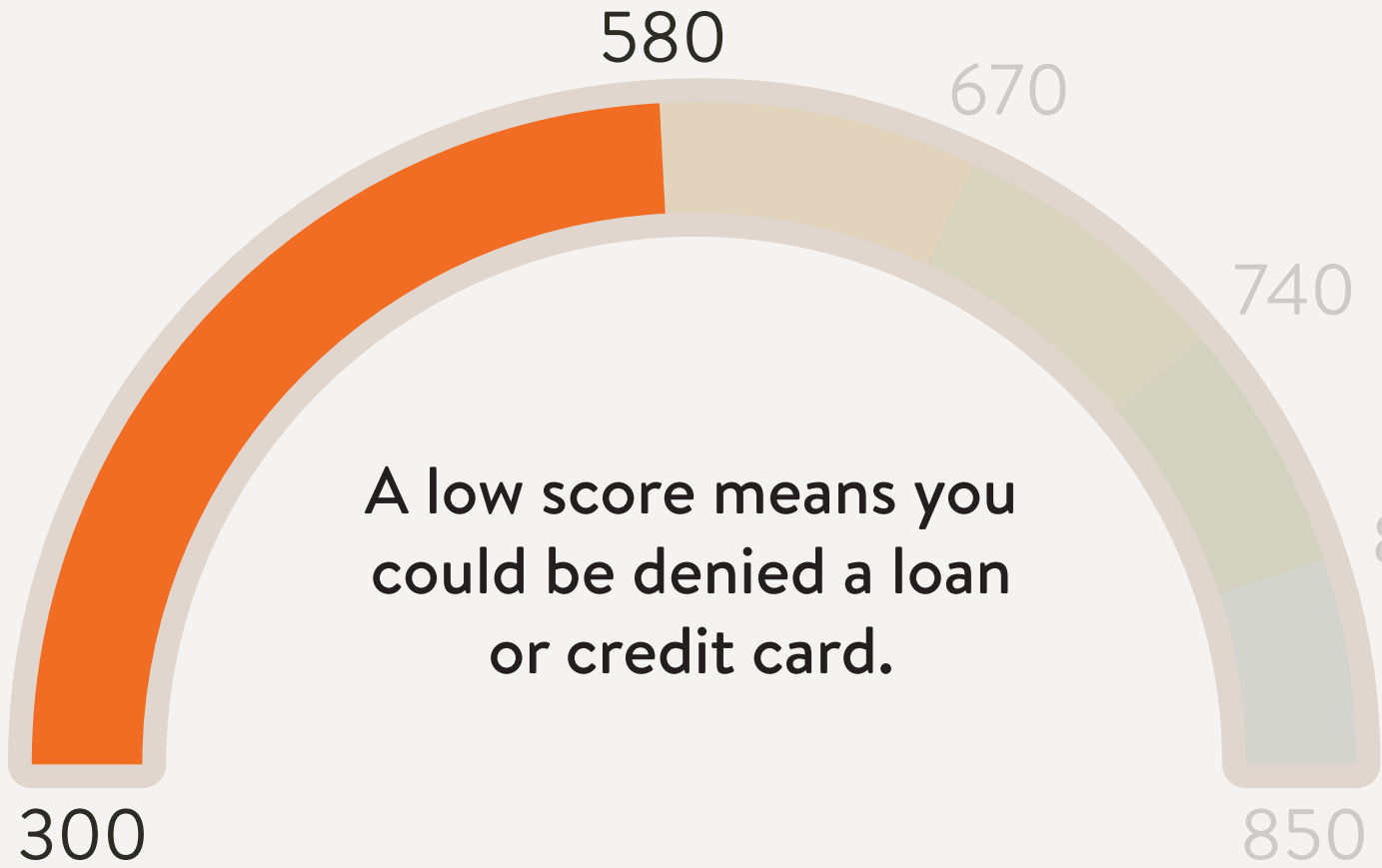
Since each credit bureau uses its own formula, **your FICO Score can vary**, depending on which bureau supplies the information.

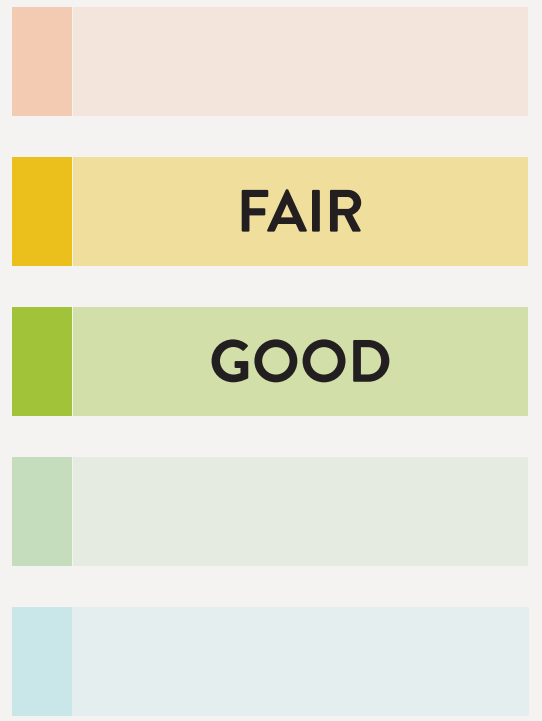
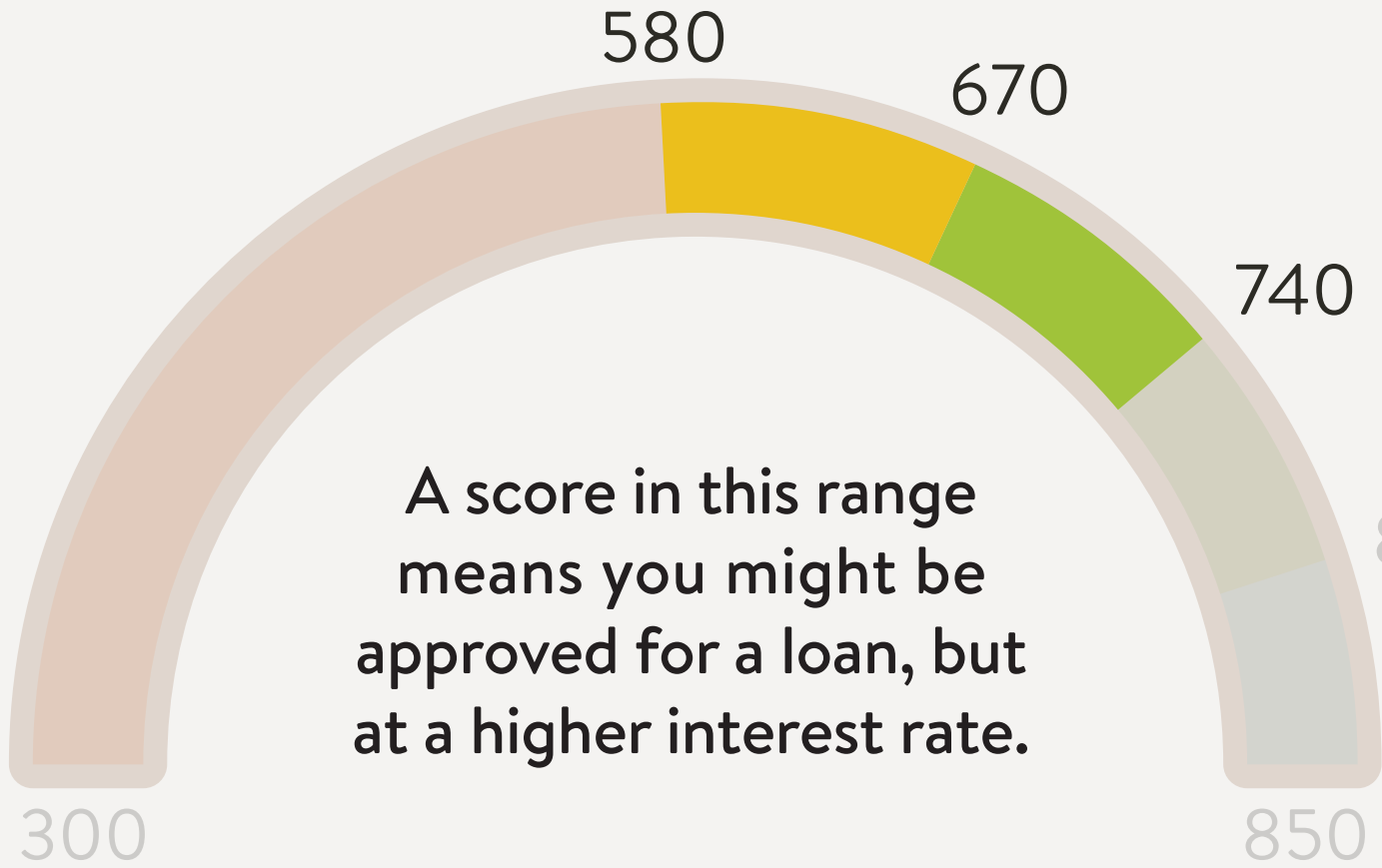
*What does my score*  
**MEAN?**

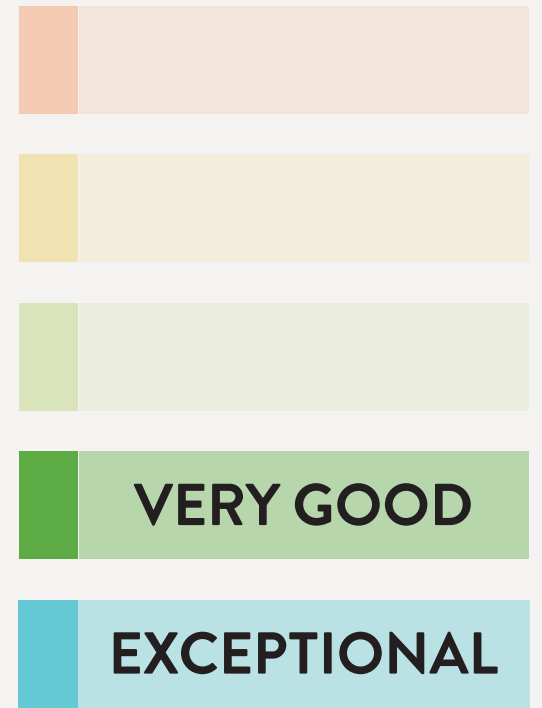
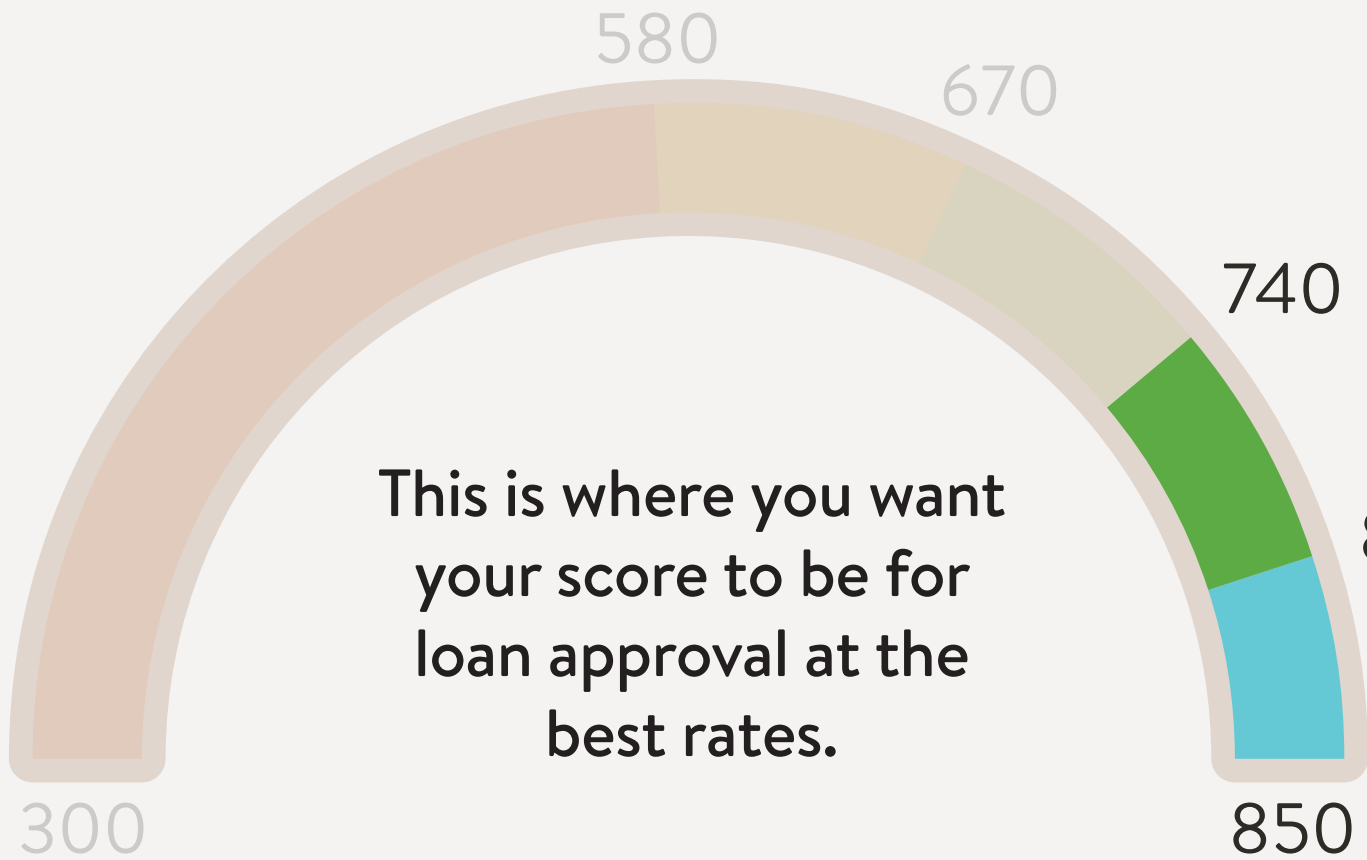












*Why does my score*  
**MATTER?**



# Credit scores can influence:



**Renting an  
Apartment**



**Student  
Loans**



**Car  
Payments**

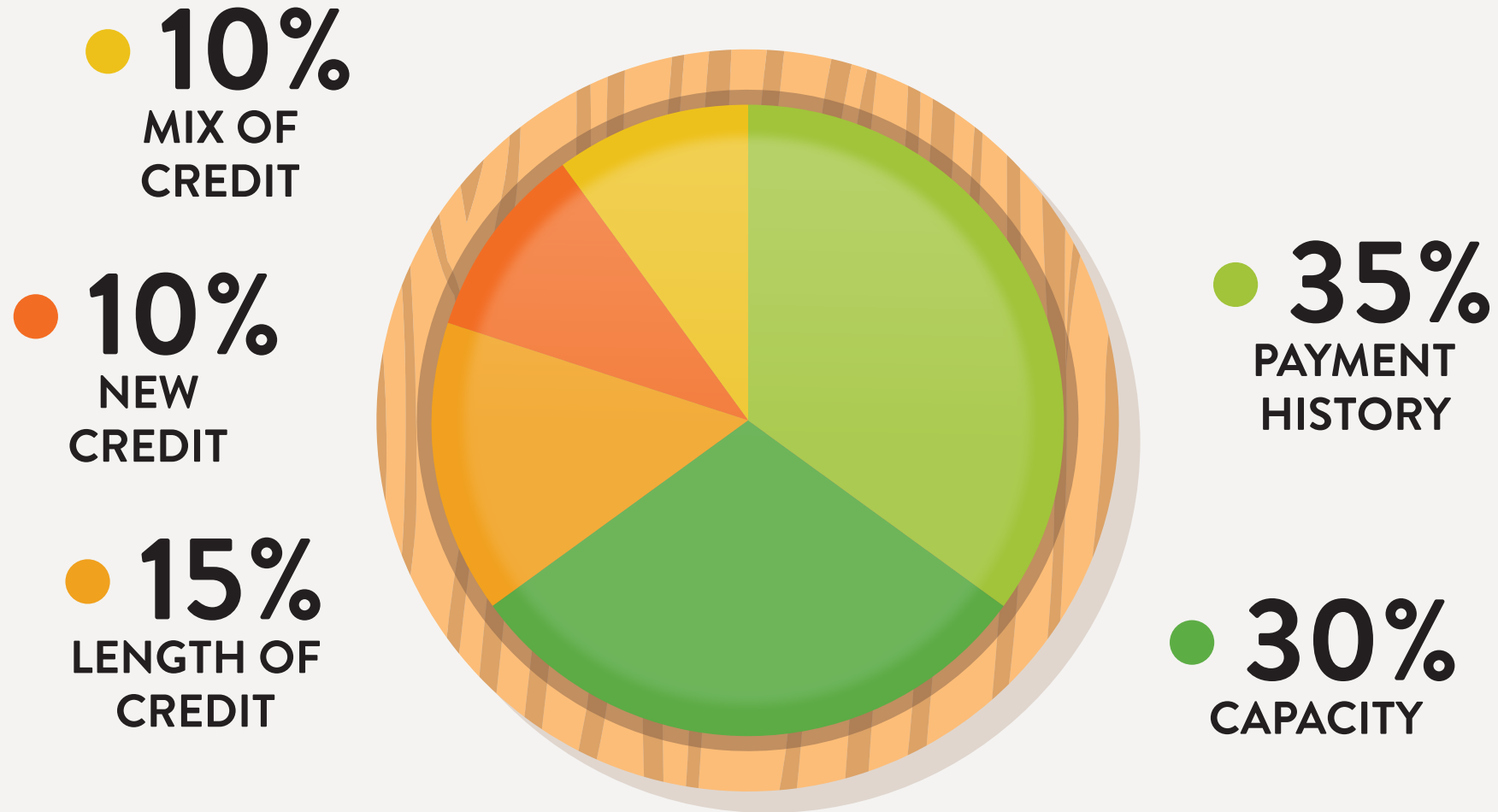


**Job  
Applications**

*How are credit scores*  
**CALCULATED?**



# The breakdown of a credit score goes like this:



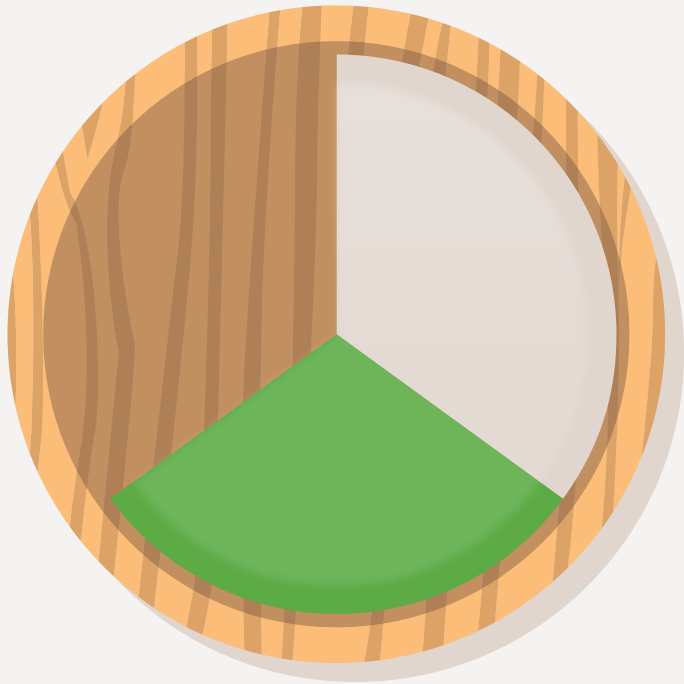
# PAYMENT HISTORY (35%)



Making payments on time  
boosts your score

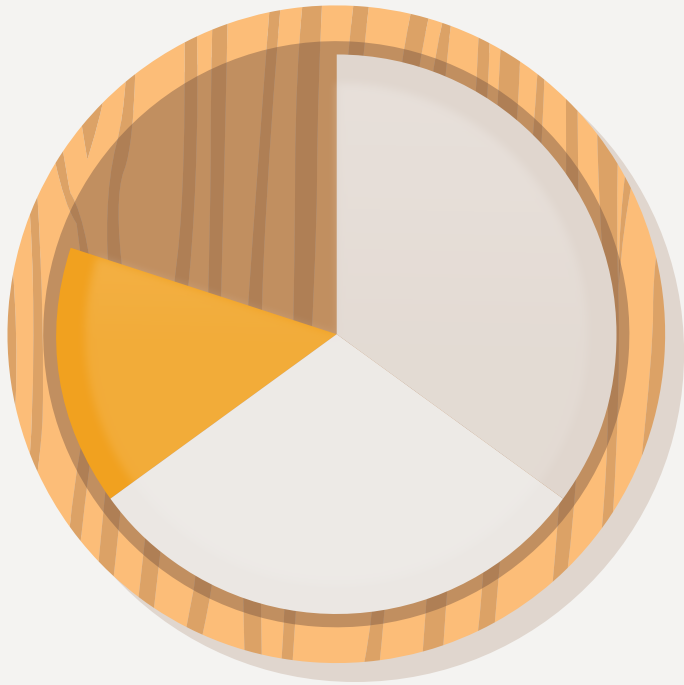


# CAPACITY (30%)



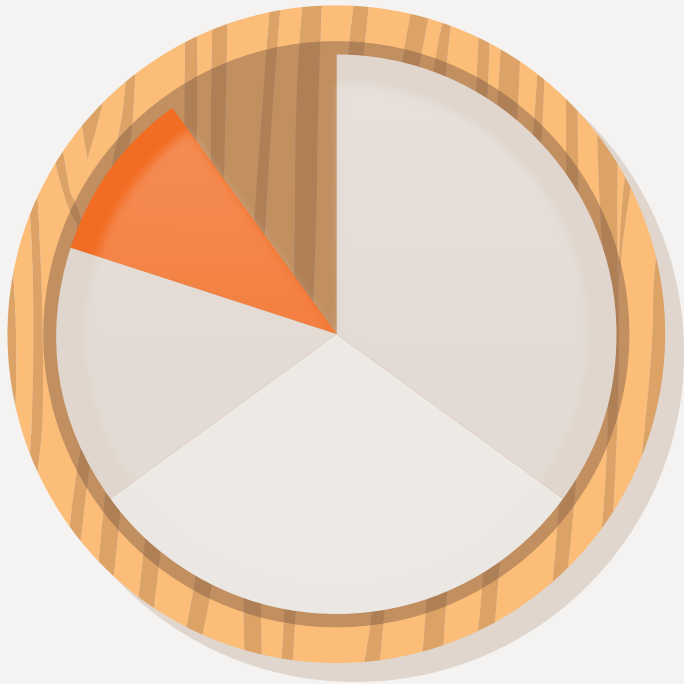
- How much of your available credit you actually use
- The less you use, the better
- Maxing out your lines of credit harms your score

# LENGTH OF CREDIT (15%)



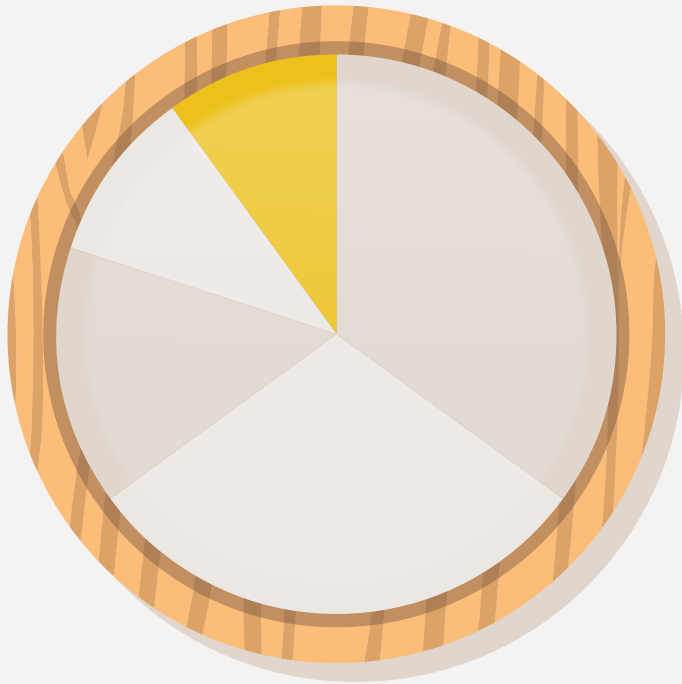
A long history of good credit habits raises your score

# NEW CREDIT (10%)



- Opening a bunch of new credit lines in a short amount of time hurts your score
- This includes retail credit cards

# MIX OF CREDIT (10%)



- Revolving credit  
(*e.g., credit cards*)
- Instalment loans  
(*e.g., mortgages, car loans*)

*How do I keep track of*  
**MY SCORE?**





You can request **one free credit report per year** by mail from Equifax and TransUnion

If you can't wait for a free report by mail, you can always get an instant credit report online from Equifax or TransUnion for approximately \$15.

**Space out your requests  
by a few months so  
you can check on your  
credit year-round.**



SUMMER



WINTER



Things to look for on your credit report that influence your credit score:

- **Account openings**
- **Account closings**
- **Repayment history**
- **Mix of credit**



# Need access to your credit score?

*(You won't find it on your credit report)*



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Access through Equifax or TransUnion  
for a fee (usually \$20–\$25)

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**StellerVista**  
credit union

Sources: FICO, Forbes, Financial Consumer Agency of Canada

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