The College Student Guide

to Understanding Credit

Why does my credit score matter?

Your credit score is how lenders evaluate your credit risk when you apply for a loan. Your score can influence your credit and loan approvals, as well as the terms and interest rates you may qualify for. It may also factor into your ability to qualify for certain jobs or rent an apartment. The higher your score, the better!

Very Poor	Poor	Fair	Good	Excellent
300-499	500-600	601-660	661-780	781-850

What actions will hurt my score?

- Late or missing payments. Recovering from a missing payment can take up to 24 months!
- Credit cards at capacity. It's recommended to keep your credit card balances at no more than 30% of your total credit limit.
- Closing credit cards. This will reduce your overall credit capacity.
- Applying for too many credit cards or loans at a time. Try to limit the number of pulls on your credit report within a short period of time.

What doesn't affect my score?

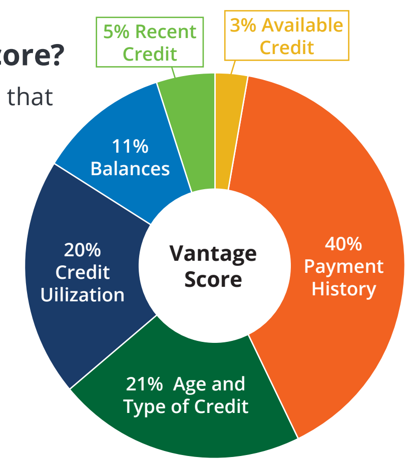
- Your debt-to-income ratio
- Your income
- Your length of employment
- Your length of residence
- Demographics (*Example: Age, race, gender, etc.*)

What actions can help improve my score?

- If you decide to get a credit card, borrow smarter with a low-rate credit card designed for first-time credit card users.
- Make loan and credit card payments on time, every time. Set reminders or schedule automatic bill pay to help prevent late or missed payments.
- Use credit cards mindfully by only charging what you know you can afford to pay back. Having a low balance or paying off your balance in full each month will help you build a positive credit picture.
- Review your credit report for any mistakes. Your credit score is based on the information on your credit report.
- Check your report at least once a year at **AnnualCreditReport.com** to make sure errors aren't affecting your score.

What makes up my score?

This chart highlights factors that make up your credit score:



VantageScore credit scoring model.
For informational purposes only.

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Ready to Build Good Credit?

Wright-Patt Credit Union® (WPCU®) is here to help you establish smart borrowing habits in college so you can build and maintain good credit throughout your adult life. Stop by your local Member Center to talk with a Financial Coach as they help you, Respect Your Money®!

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