



CREDIT LITERACY

Grow Your
KNOWLEDGE

- Why You Need Credit ▶
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WHY DO YOU NEED CREDIT?

- ▶ Applying for homes, jobs, and securing services & goods.
- ▶ Credit allows you to buy things now, and pay for them later.
- ▶ Good credit shows your previous financial behavior

C Credit can mean either borrowing money or getting something of value, like a car, with the commitment to repay later and often with interest charged. It can also mean your ability to borrow or buy things on a credit contract.

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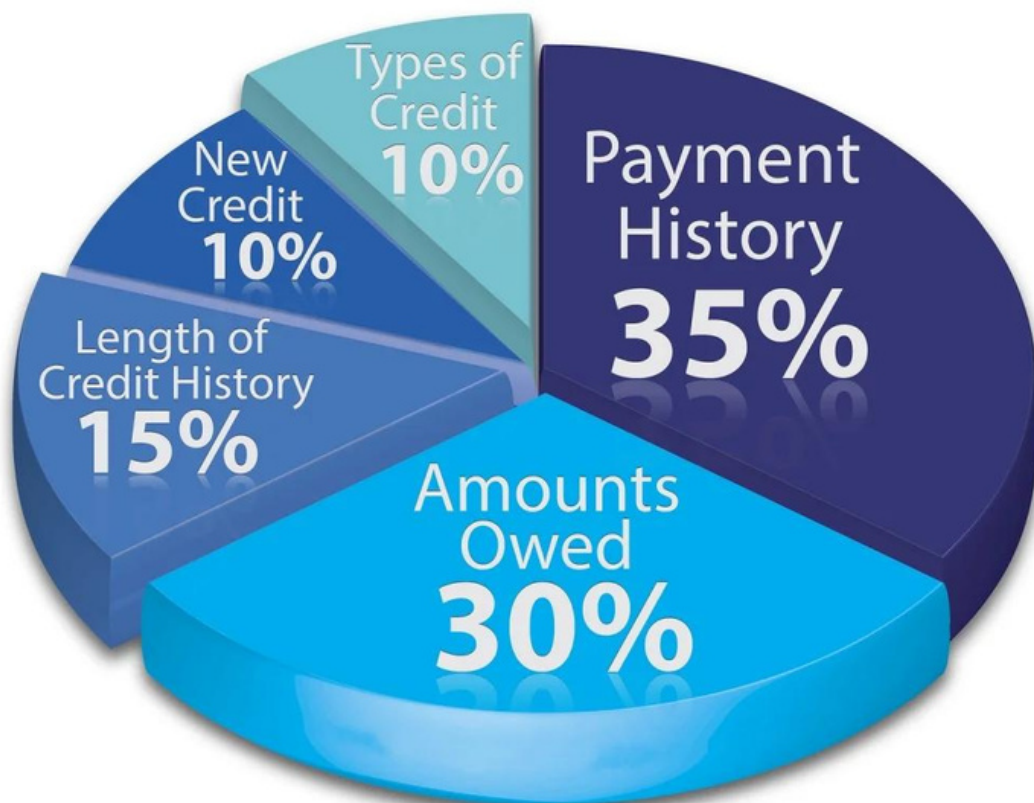
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CREDIT SCORE CALCULATION



NEGATIVE REMARKS

Derogatory marks are negative, long-lasting indications on your credit reports that generally mean you didn't pay back a loan as agreed.

If you have a lower score coupled with a derogatory mark, you may have a hard time getting approved for credit or may get less-than-ideal credit terms.



CREDIT USAGE



**Keep your credit
utilization low
(under 30% is good
but less than 10% is
ideal)**

BEFORE YOU APPLY



- 1. Credit score and credit history**
- 2. Income**
- 3. Monthly debt payments**
- 4. Assets and additional applicants**
- 5. Employer's contact information**