



# Experian Give Me a Little Credit

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February 2020



[NAME OF SPEAKER]

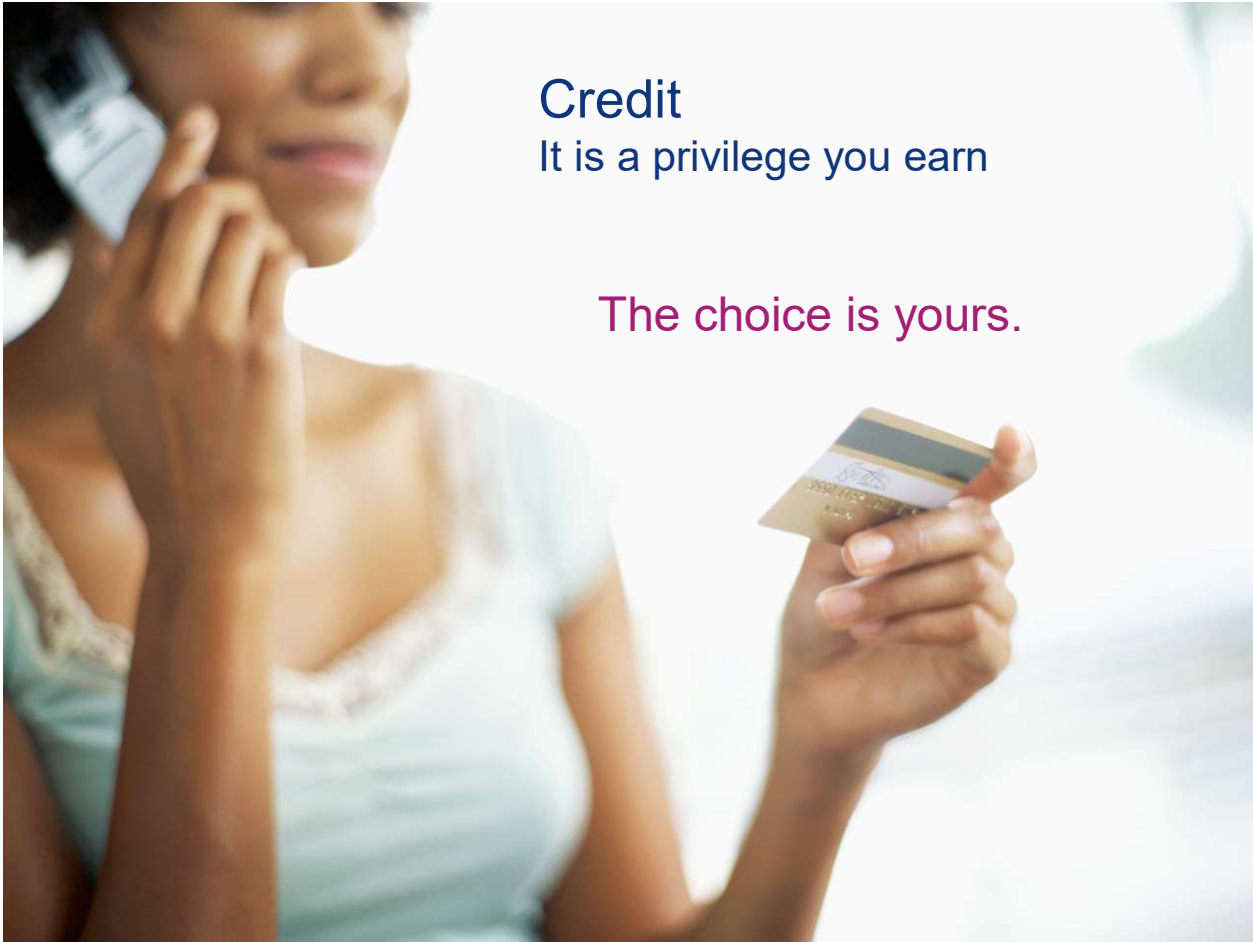
Speaker bio - Lorem ipsum dolor sit amet, has id mucius pericula. Has magna maiestatis ex. Quem detracto iracundia pri te, mel ea solum accommodare. Eu modo rebum efficiendi duo, ut cum enim omnesque. Justo probatus no mea, soluta petentium cu usu. Id usu iriure scaevola.



EXPERIAN EXPLAINED – EXP INFO TO FIT NEEDS OF AUDIENCE. Lorem ipsum dolor sit amet, has id mucus pericula. Has magna maiestatis ex. Quem detracto iracundia pri te, mel ea solum accommodare. Eu modo rebum efficiendi duo, ut cum enim omnesque. Justo probatus no mea, soluta petentium cu usu. Id usu iriure scaevola.

## Disclaimer

- The purpose of this presentation is to help you better understand credit reporting and to provide general information about how you can manage your credit report so that you can get the credit you need and want.
- For legal reasons I:
  - Cannot discuss issues specific to your personal credit report
  - Cannot advise individuals about how to improve their personal credit report or credit scores
- Cannot submit disputes regarding your personal credit report on your behalf
- Information regarding Experian policies and processes is current as of the date of this presentation, but may change.



Credit  
It is a privilege you earn

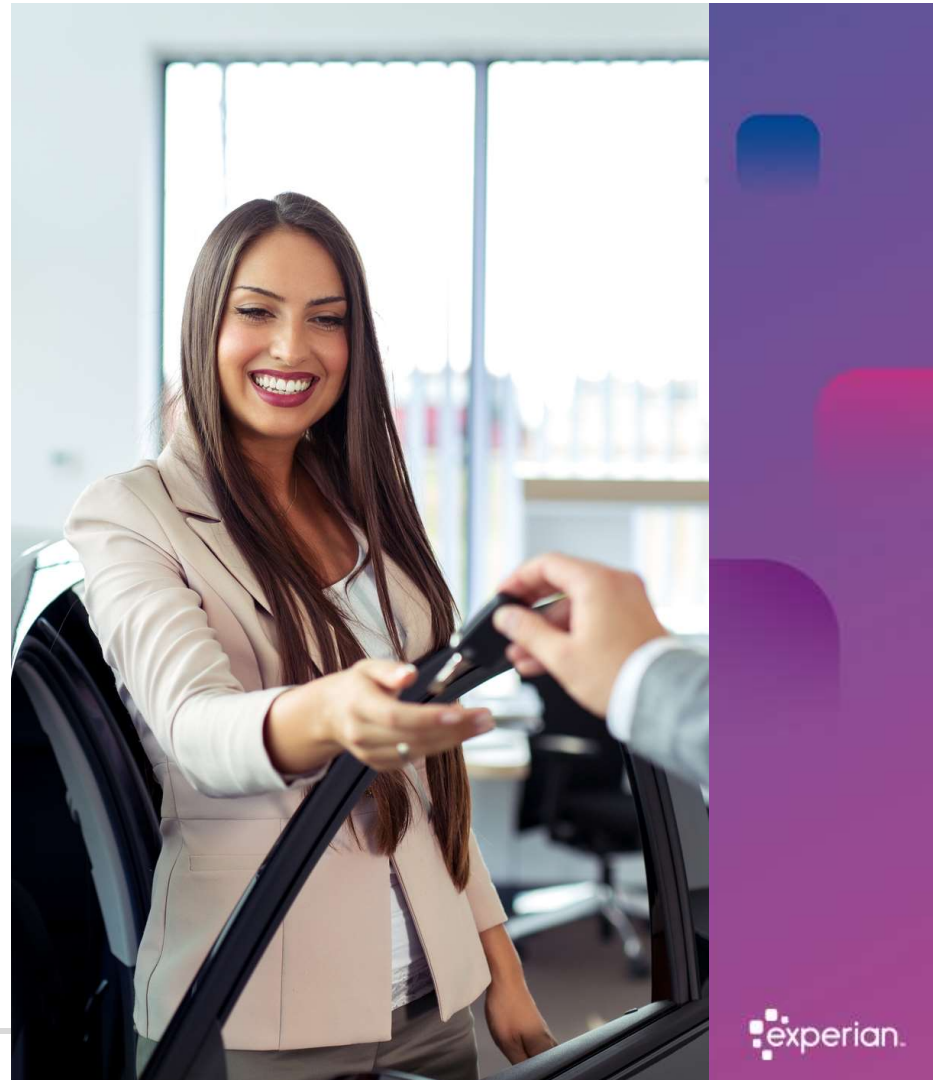
The choice is yours.



## What is credit?

Obtaining goods or services and paying for them at a later date under agreed upon terms

- Credit cards, mortgages and car loans
- Service contracts: cable television, telephone, utility service
- Your financial references



## Credit does not equal debt

Build a positive credit history so you can get the best terms when you invest in debt.





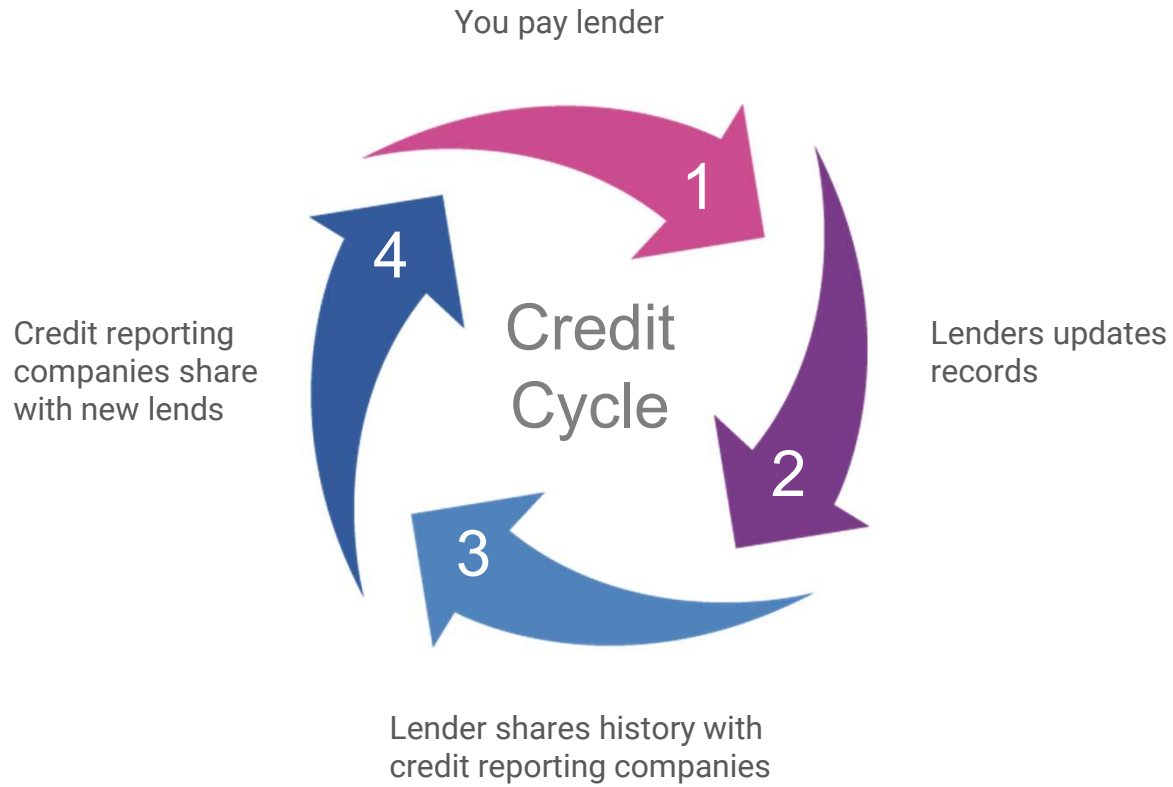
## The three national credit reporting companies

Credit reporting companies serve consumers and businesses by making possible:

- Instant credit
- Lower-cost credit
- Nationwide credit
- Widespread availability
- Account management



## The credit cycle



Credit reporting companies are like libraries

Credit reporting company clients check out information . . .

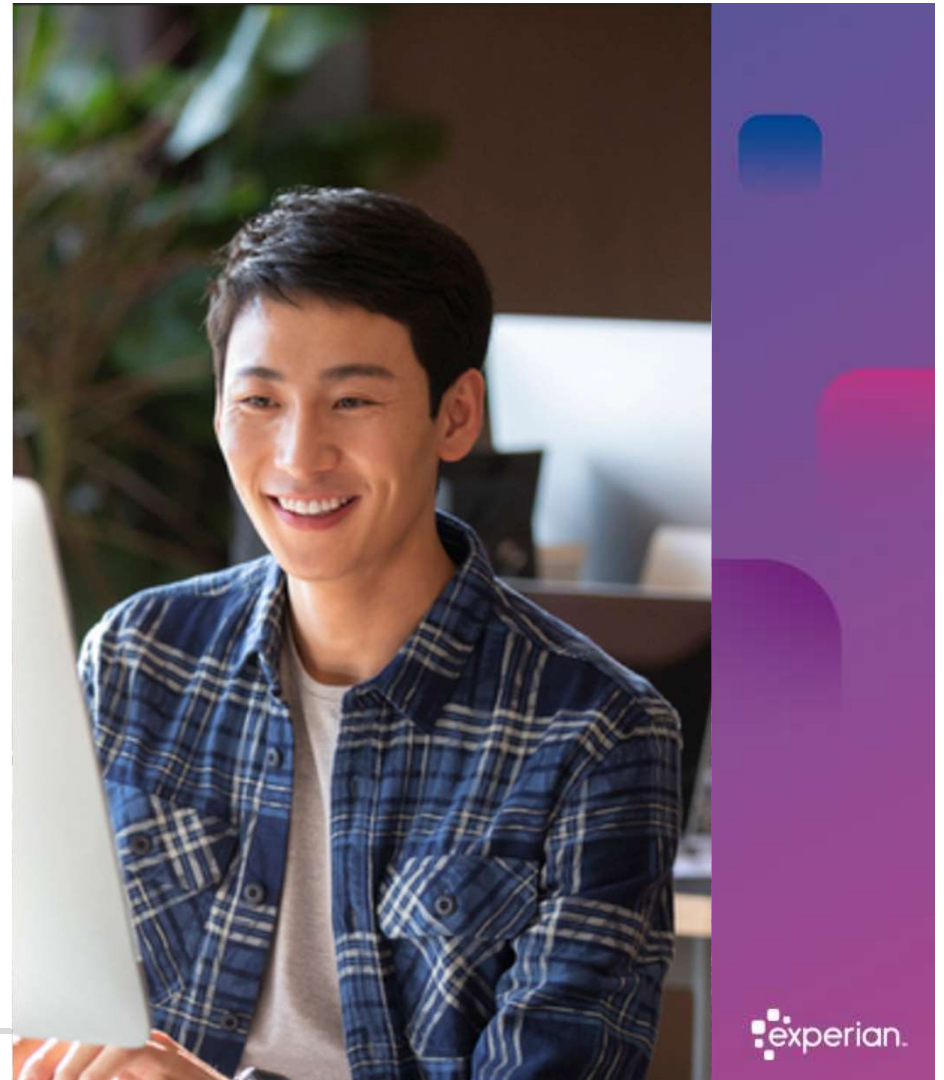
. . .only if they have a permissible purpose under the law.



## The Fair Credit Reporting Act

### Permissible Purposes

- Open or manage credit accounts
- Offers of credit
- Employment purposes
- Underwrite insurance
- A business transaction initiated by the consumer
- Court order or federal jury subpoena
- Valuation of risk of an investor
- Eligibility for government license
- Disclosure to consumer



## Defining credit reports and their importance

### What is a credit report?

- Your personal credit report includes a record of your financial accounts and obligations and the identification information associated with them
- This report is sometimes called a credit file or a credit history
- Credit reporting companies collect and organize data about your credit history from your creditors and public records



## Defining credit reports and their importance

### Why is it important?

- Lenders use credit reports and credit scores to gauge the likelihood that you will pay back a loan
- A strong credit history enables you to obtain a credit card, home and auto loans and many other valuable credit services, and can affect the amount that you pay for those services
- Reports are also used in other non-lending situations – employment checks, apartment rental applications, utilities, cellular phones, etc.
- Your credit report serves as your financial references to companies with whom you want to do business



## The players in the credit cycle





Information comes from you

**Information you provide** in an application for credit, housing, or insurance is reported to credit reporting companies



## What's in a credit report?

- Identifying information
- Account information
- Bankruptcy public records
- Inquiries
- Dispute instructions

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### < Credit Reports

**Experian**   **Equifax**   **TransUnion**

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**Experian Credit Report**  
As of: **08.01.2018**

<b>Accounts</b>	>
Total Open Accounts	<b>11</b>
Total Closed Accounts	<b>6</b>
Total Accounts	<b>17</b>
<hr/>	
<b>Inquiries</b>	>
Reported Inquiries	<b>2</b>
<hr/>	
<b>Public Records</b>	>
Reported Records	<b>0</b>
<hr/>	
<b>Summary</b>	>

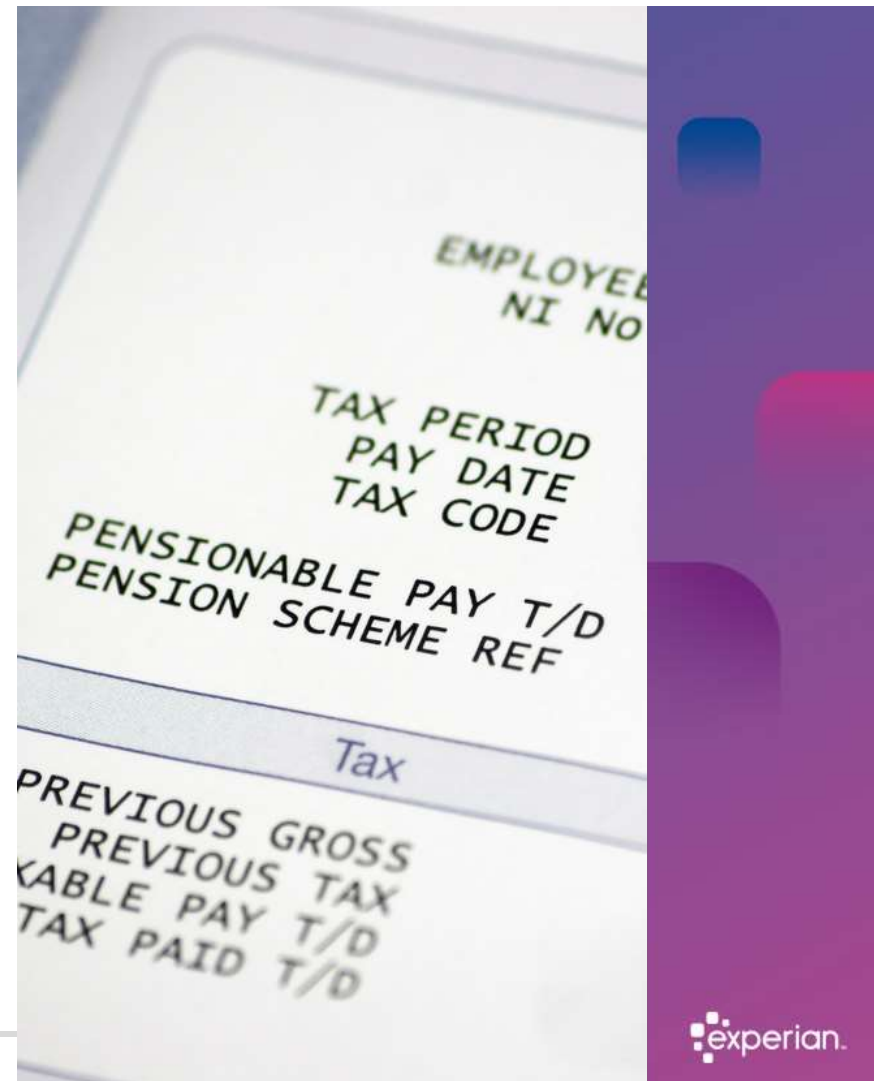
experian.



What's **NOT** in a credit report?

Credit reporting companies do **NOT** store:

- Criminal background
- Medical information
- Buying habits / transaction data
- Income
- Bank account information
- Credit scores



## Rental payment history data

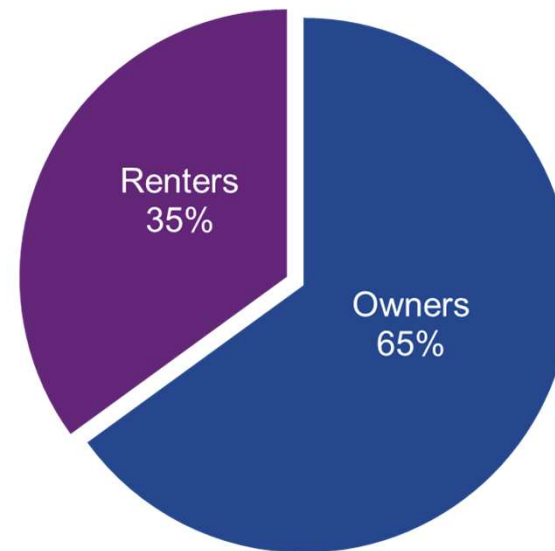
### What is it?

- On-time, as well as late payments
- Bad checks and / or insufficient funds (NSF)
- Unfulfilled lease terms
- Outstanding balances / write-offs
- Previous collections activity

### Why is it important?

- About 110 million of 310 million U.S. residents rent
- Positive rental data not previously on credit report
- 64 million U.S. consumers have no / limited credit
- Consumers can now build credit history with paid-as-agreed rent payments

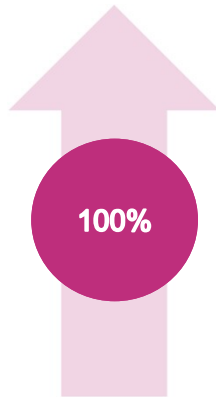
### USA Population



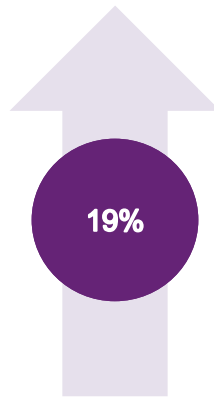
## Rental data analysis highlights

### Credit for renting

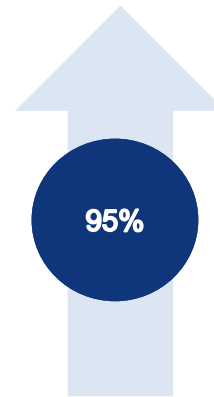
100% of the no-hit residents transitioned to the thin-file category and are now scoreable



Subprime residents decreased 19% with the addition of the rental tradeline



95% of study participants experienced a score increase or no score change with the rental tradeline

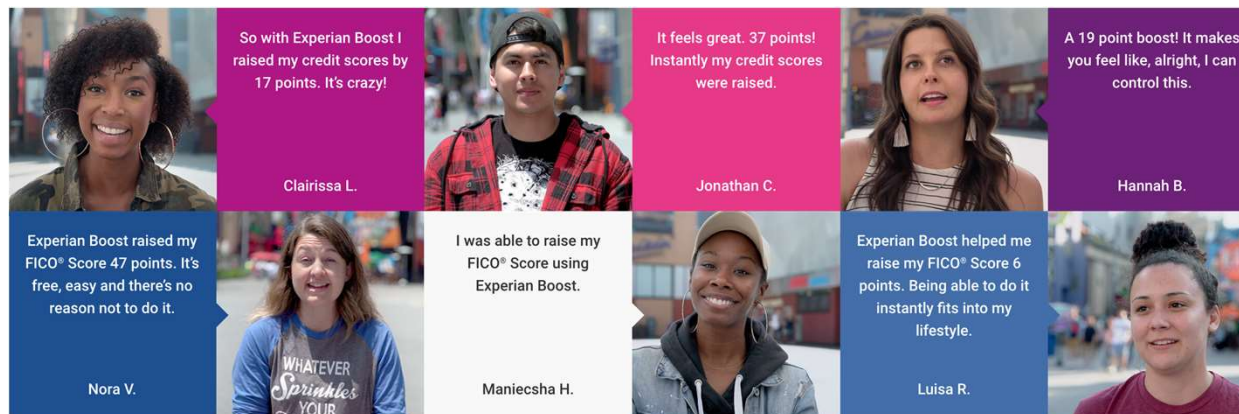


Learn more: [www.experian.com/buildcredithistory](http://www.experian.com/buildcredithistory)

For the purpose of this data analysis, Experian RentBureau® utilized the VantageScore® 3.0 advanced credit scoring model, which produces a highly predictive score and scores up to 35 million consumers previously deemed unscorable. VantageScore® 3.0 has a score range of 300 to 850 to represent a consumer's creditworthiness.

## Experian Boost

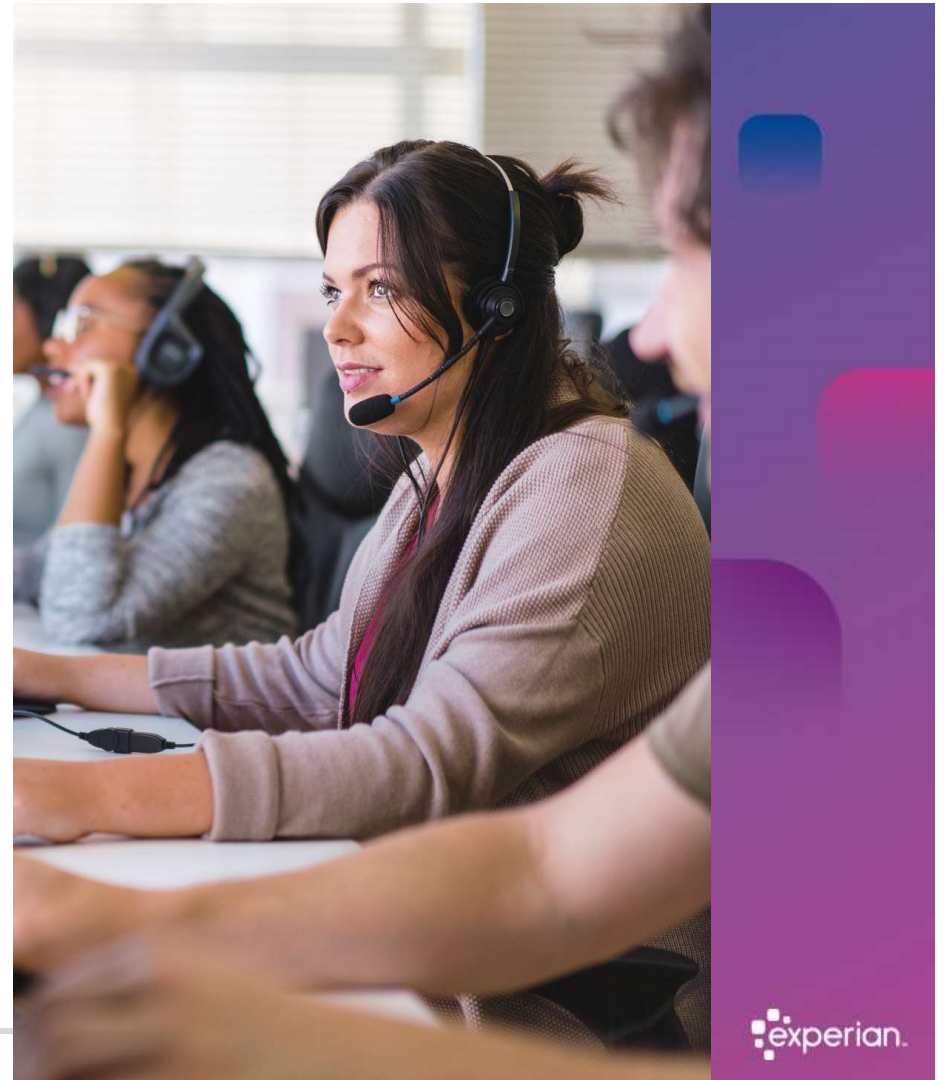
- Experian Boost, introduced in March, 2019 is a first in credit reporting history
- Add positive utility and telecom payments to **instantly improve your credit scores**
- **Payment information** from your checking or savings account
- Only with **your** permission
- Most effective for people with **thin credit files** or credit scores **below 680**
- Average score boost of **13 points**



*Real customers paid for participation.*

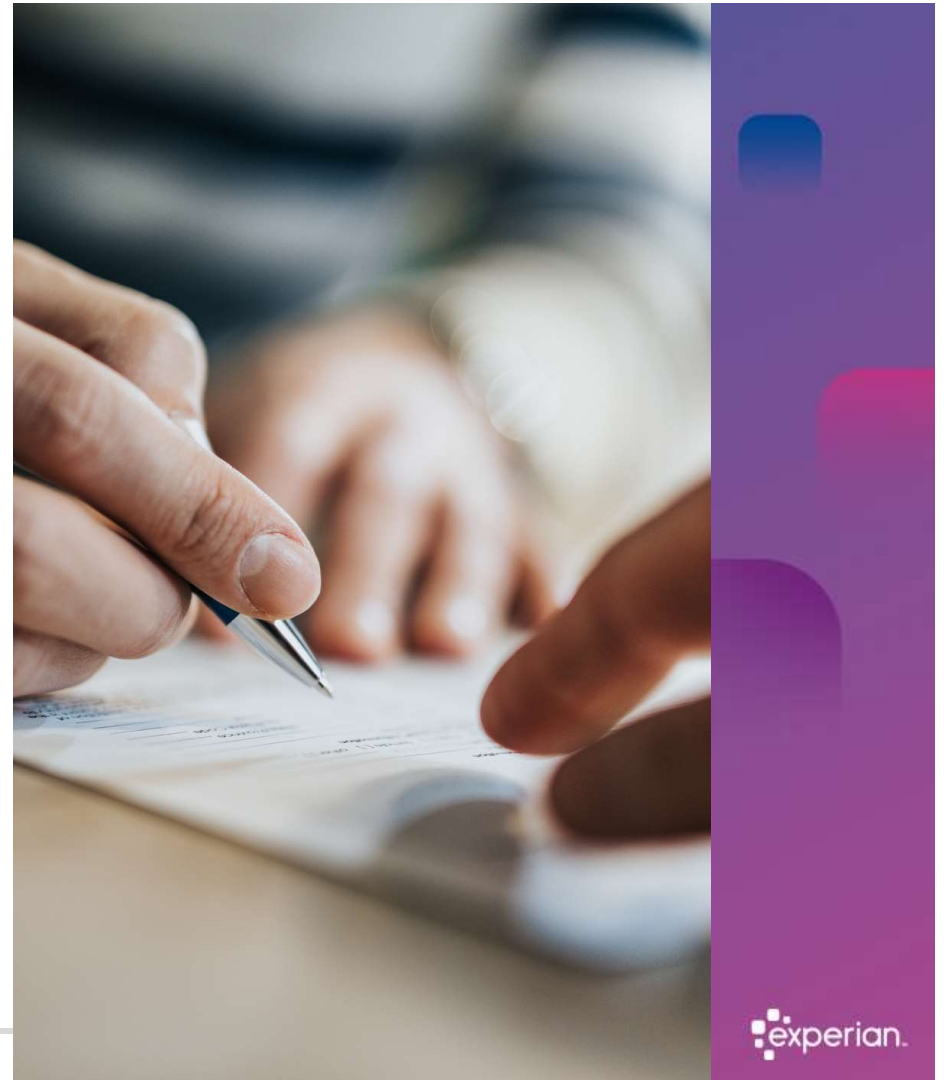
## Initiating a dispute

- We encourage consumers to get a report directly from Experian
  - Toll-free number on report gives you access to customer service
  - Report number identifies you and your record
  - You and the customer service representative will be looking at the same information in the same order
- Can dispute online, by telephone or by mail
- Dispute must be specific



## Processing a dispute

- Credit reporting company verifies with the source of the information
- Must allow up to 30-45 days for processing
- Source verifies, corrects or updates
- Secure, encrypted electronic system is used
- Creditors required to report corrections to all databases
- Consumer can add statement of dispute if issue is not resolved with source





## How long is information kept on a report?

Type of account	Time frame
Open accounts in good standing	Indefinitely
Closed accounts in good standing	10 years
Late or missed payments	7 years
Collection accounts	7 years
Chapter 7 bankruptcy	10 years
Chapter 13 bankruptcy	7 years
Credit inquiries	2 years



## Common myths about credit reporting

When paid, the bad debt will go away

The credit reporting company denied me credit

I'm not responsible for those charges on our account

A divorce decree separates joint accounts

Consumers must give their permission for a report to be issued

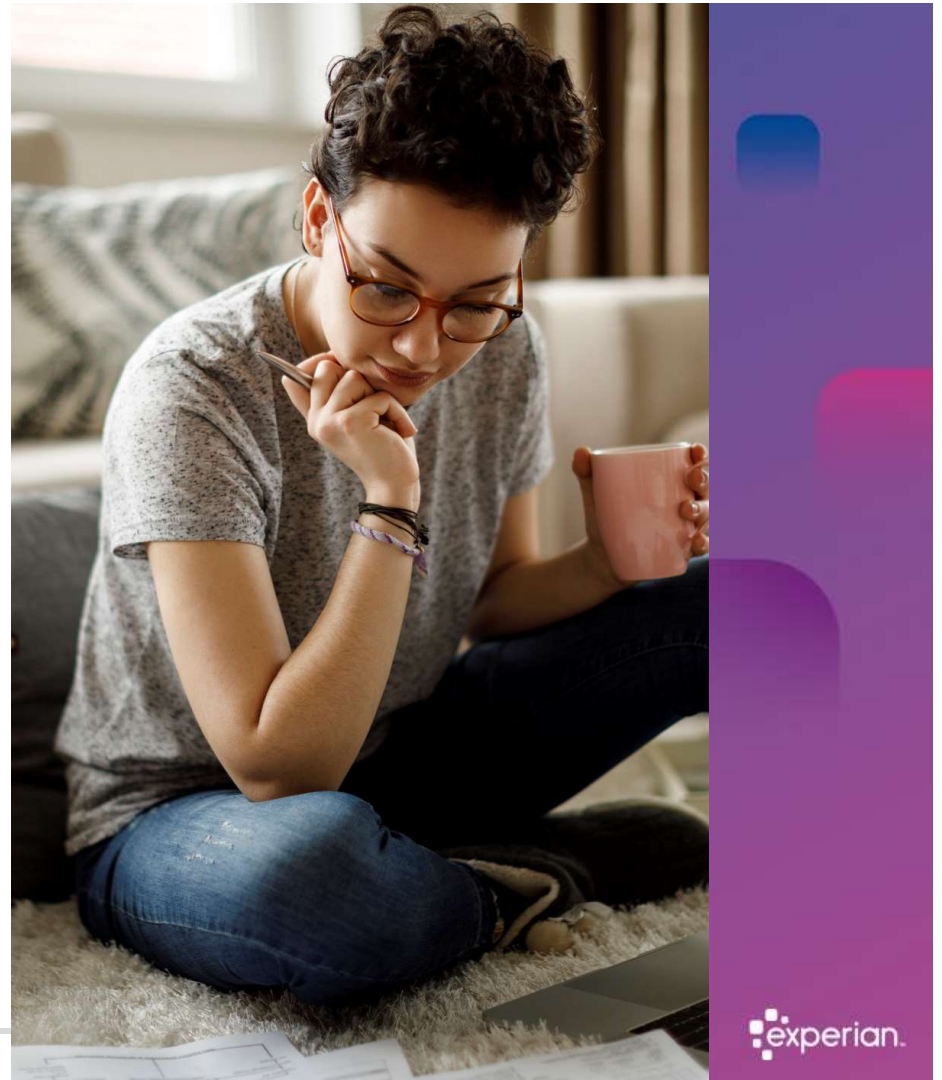
Requesting your own report and preapproved offers harm your credit history

There is only one credit score and it is on every report



## What is a credit score?

- Used instead of a manual “score sheet”
- Valuable risk management tool
- Many different models, with many different scales available from many different sources
- Credit reporting companies often “apply” the model selected by the creditor when delivering the credit report; however, the credit scoring model, or formula, is proprietary to the developer



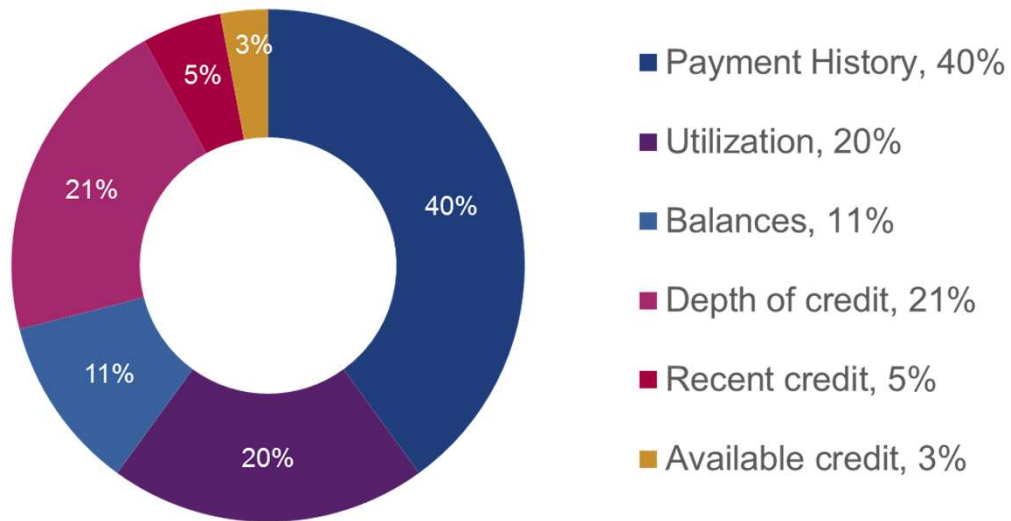
## Risk factors are the key

- Generated when a risk score is calculated
- Tell the consumer what to address in their credit history to become more creditworthy
- Are largely consistent from model-to-model
- Are usually included in or described in an adverse action notice
- Experian provides risk factors to consumers with the scores it provides through its direct-to-consumer services



## VantageScore® 3.0 Characteristics Contributions

VantageScore 3.0 contributions



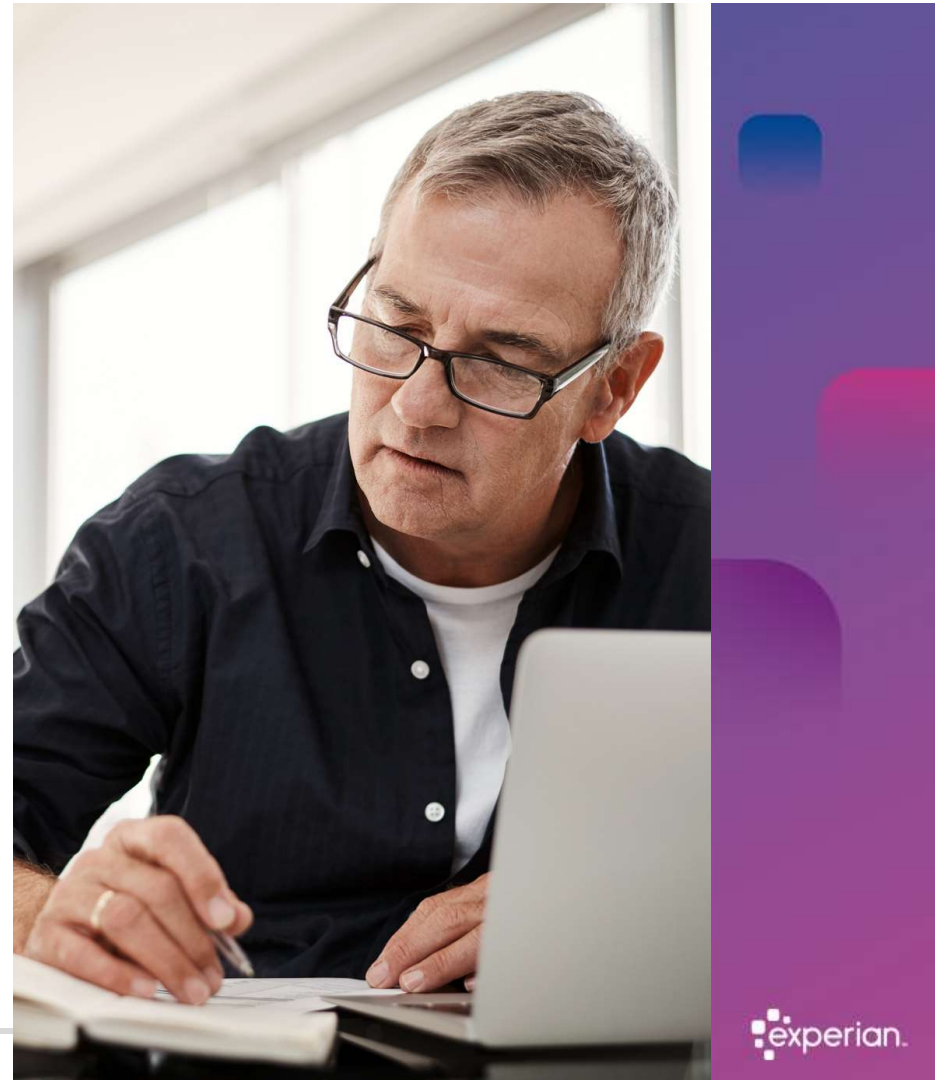
## Improving credit scores There is no silver bullet

- Time is the key
- You can't "fix" the number
- Address the risk factors



## Ten Rules for Managing Credit

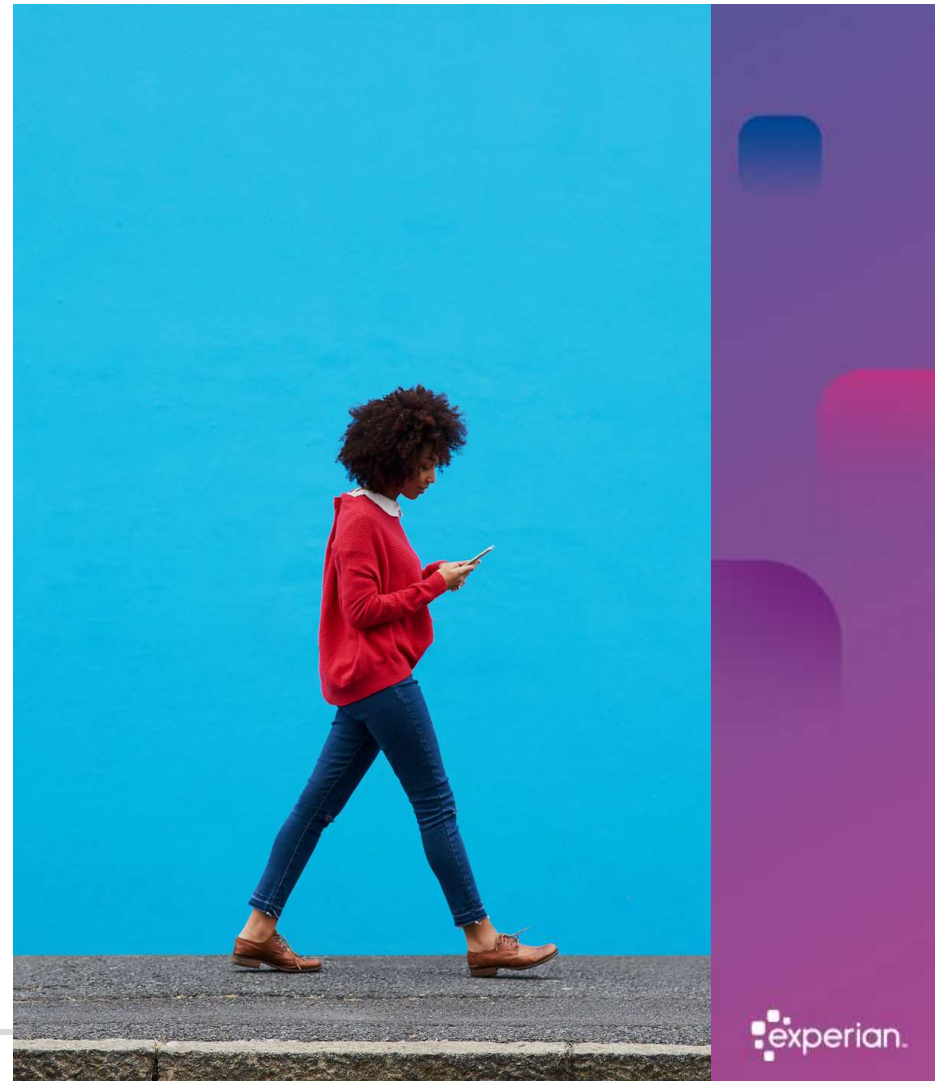
1. Establish a credit report
2. Always pay as agreed
3. Get a credit card
4. Use caution in closing accounts
5. Apply for credit judiciously
6. Time is key
7. Demonstrate stability
8. Have a plan
9. Put credit to work for you
10. Share your knowledge



## Centralized source for free reports

[www.annualcreditreport.com](http://www.annualcreditreport.com)

- One free report from each of the three bureaus is available every twelve months
- Single contact point:
  - Telephone – 877.322.8228
  - Mail
  - Internet
- Fee for credit score disclosure



## Experian education resources On the Web

- Free annual FACT Act credit report
  - [www.annualcreditreport.com](http://www.annualcreditreport.com)  
Access to free report from each of the three credit reporting companies
- Experian
  - [www.experian.com/education](http://www.experian.com/education)  
Comprehensive Blog with advice for consumers on everything related to credit, credit cards, loans and identity theft protection.
  - [www.experian.com/crediteducation](http://www.experian.com/crediteducation)  
Ask Experian advice column, sample consumer report, frequently asked questions
  - [www.experian.com/consumereducation](http://www.experian.com/consumereducation)  
Electronic versions of our published materials, sample credit report, videos, PowerPoint presentations with talk notes and more



The logo features the word "experian" in a white, lowercase, sans-serif font. To the left of the text is a cluster of seven white squares of varying sizes, arranged in a roughly circular pattern. A small "TM" trademark symbol is positioned to the right of the word.

experian™