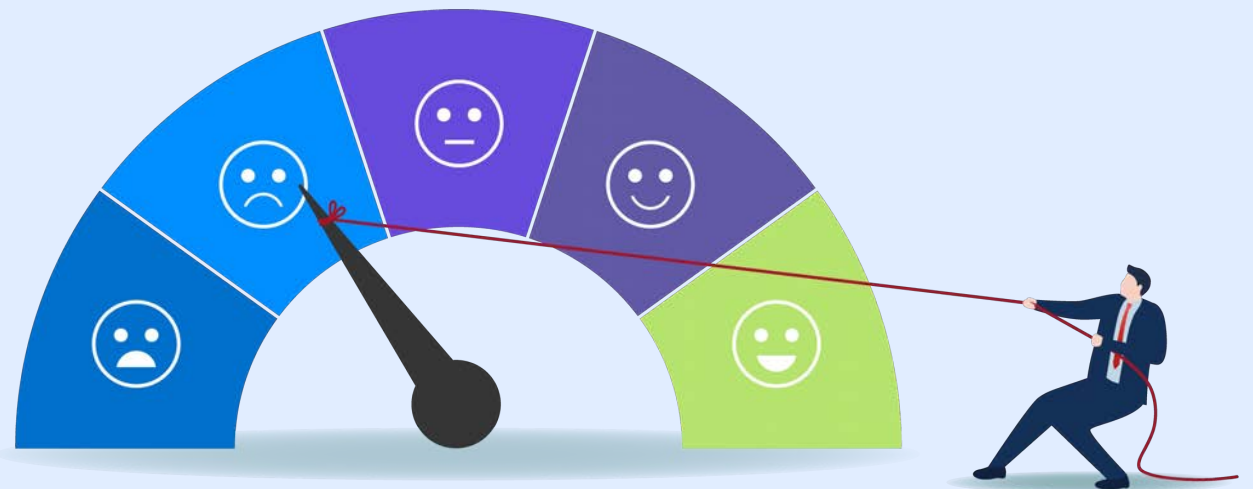


Financial Wellness Series

Managing Your Credit



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Slavic401k



Agenda

What is Credit?

Understanding Your Credit Report

Credit Score Impact

Tools for Good Credit

Questions





What is Credit

1. The ability of a customer to obtain goods or services **before payment**, based on the trust that payment will be made in the future.
2. "Credit" is also used as shorthand to describe the financial soundness of businesses or individuals.





Personal information



Personal statements



Potentially negative items



Accounts in good standing



Credit inquiries



Important messages



Dispute Cart (0)

Your credit report

Note: This sample consumer credit report is provided to you for education purposes only in connection with your Experian Credit EducatorSM services. The information provided in this consumer credit report are examples only to illustrate the type of information a consumer may find in a consumer credit report, but is not inclusive of all information that may appear.

Below is all the information currently in your credit report. The payment history guide and common questions will help explain your credit information. Print this page or write down your report number for future access. To return to your report in the future, log on to experian.com/help and select "Credit Access" or "Disputes" and then follow the steps.

To dispute information, first select the item from the list below and the dispute reason that most closely explains the reason you feel the item is inaccurate, or select "Other" and type in your own explanation. You can also upload any documents you may have that support your claim by clicking "Upload" and/or enter any additional information to further explain your dispute by using the free form text box. Your requests, including both disputes and any statements you may elect to add to your credit report to explain information, will be stored in a virtual cart as you continue your session. When finished, you will be given a chance to review all of your requests before they are submitted. Depending on the nature of your requests, you may be prompted for alternative actions, such as selecting a different dispute reason for a particular dispute. You may cancel or edit your requests at any time up until the time they are submitted. Once your requests are successfully submitted, you will receive a green confirmation message for each item.

Helpful Toolkit

- › Experian Credit Educator?
- › Fraud center
- › Freeze center
- › Know your rights
- › Common questions
- › Credit score

1 855 246 9409

Contact us by phone - Monday through Friday, 9 a.m. to 5 p.m. in your time zone.

AddressExperian
P.O. Box 9701 Allen, TX 75013**Document upload**Submit documents supporting your claim electronically at experian.com/upload.

Credit Report

- Credit reports generally come from three different bureaus

Personal Information			
Name(s) associated with your credit			
Name	Name identification number		
JON CONSUMER	3055		+ Dispute
JONATHAN CONSUMER	25152		+ Dispute
J CONSUMER	20726		+ Dispute
Address(es) associated with your credit			
Address	Address identification number	Residence type	Geographical code
1475 MAIN ST ANYTOWN USA 12345-1475	0122937323	Single family	0-70010-17-2520
+ Dispute			
1036 MAIN ST APT143 ANYTOWN USA 12345-3043	0122868660	Apartment complex	0-1020410-17-2520
+ Dispute			
Other personal information associated with your credit			
Social Security number variation(s)			
XXX-XX-2538			+ Dispute
XXX-XX-1680			+ Dispute
Year of birth			
1991			+ Dispute
Spouse or co-applicant			
JANE			+ Dispute
Notices			
Your date of birth indicates that credit may have been established before age 18.			

Personal Information

- Review your personal information.
- File a dispute for any discrepancies.



Your personal statements

General personal statements currently displaying on your personal credit report at your request appear below.

FILE FROZEN DUE TO STATE LEGISLATION. [+ Options](#)

Add statement(s)

[Add personal statement](#)

[back to top](#)

Potentially negative items

No **Public Records** appear on your report.

	Account name 123 CREDIT CARDS 2000 MAIN ST ANYTOWN, USA 12345 <i>No phone number available</i> Address identification number 0122868651	Account number 40034424804.... Type Credit card Terms Revolving	Recent balance \$273 as of 06/03/2015 Credit limit or original amount Not reported High balance \$14,219 Monthly payment \$10 Recent payment amount \$0 Past due amount \$20	Date opened 11/2013 Date of status 06/2015 First reported 12/2013 Responsibility Individual	Status Open.	+ Dispute
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Account history

2015	May	Apr	Mar	Feb	Jan	Dec	2014	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	2010	Nov	Oct	Sep	Aug	Jul	Jun	May
	30	OK	OK	OK	OK	OK		OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK		OK	OK	OK	OK	OK	OK	

Payment history guide

30 days past due as of Jun 2015

Personal Statements & Negative Items

- Explain or dispute derogatory information with a **Personal Statement**
- **Potentially Negative Items:** Accounts that were not paid as agreed, including:
 - Late payments
 - Charge-offs
 - Collections
 - Accounts settled for less than the full amount owed



Accounts in good standing

Account name HOMETOWN AUTO **Account number** 1032911005... **Recent balance** \$11,616 **Date opened** 03/2013 **Status** Current. [+ Dispute](#)

15520 E ELM ST STE 300
ANYTOWN, USA 12345
866 555 5555
Address identification number
0122868651

Type Auto
Terms 60 Months

Credit limit or original amount \$19,118
High balance \$19,118
Monthly payment \$350
Recent payment amount \$350

Date of status 05/2015
First reported 04/2013
Responsibility Individual

Account history

2015	May	Apr	Mar	Feb	Jan	Dec	2014	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	2013	Dec	Nov	Oct	Sep	Aug	Jul	Jun
	OK	OK	OK	OK	OK	OK		OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK		OK	OK	OK	OK	OK	OK	OK

Account name AMERICAN APARTMENTS **Account number** 48886031311... **Recent balance** \$4,000 **Date opened** 10/2014 **Status** Inactive/Never late. [+ Dispute](#)

PO BOX 981400
ANYTOWN, USA 54321
800 555 5555
Address identification number
0122868651

Type Rental
Terms 12 months

Credit limit or original amount \$12,000
High balance \$12,000
Monthly payment \$1,000
Recent payment amount \$1,000

Date of status 05/2015
First reported 11/2014
Responsibility Individual

Account history

2015	May	Apr	Mar	Feb	Jan	Dec	2014	Nov
	OK	OK	OK	OK	OK	OK		OK

Good Standing Accounts

- Account status (active/inactive)
- Credit limit, balance, payments



Credit inquiries

We make your credit history available to your current and prospective creditors and employers as allowed by law. Personal data about you may be made available to companies whose products and services may interest you. As required by the Fair Credit Reporting Act, we display these requests for your credit history as a record of fact.

Inquiries shared with others [?](#)

None

Inquiries shared only with you [?](#)

	Account name	Date of request(s)	+ Options
-	EXPERIAN	08/06/2013	

Credit Inquiries

- Shows hard credit pulls for loans, lines and others.
- Monitor activity – too many inquiries has a negative impact on your score.



What does **your** credit picture look like?



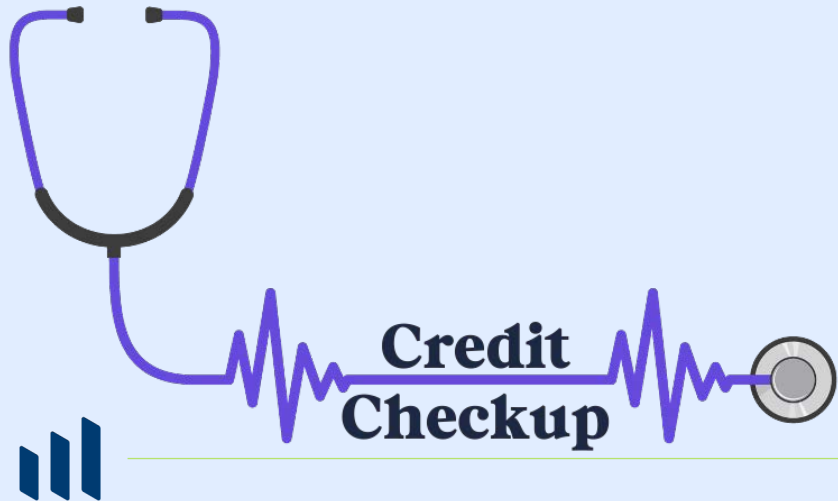




AnnualCreditReport.com



(877) 322-8228





Indicator for Creditworthiness

- How likely you are to make your payments
- Used for all types of loan applications, employment, and rental agreements
- The higher the score, the greater the reward

Credit Dynamics are Changing

- Lending standards tightened
- Interest rates have more than doubled
- Average rate of credit cards has gone up
- Non-mortgage debt has gone up by 12% in the last year



The Cost of Money is on the Rise...

	2020	2021	2022	2023
Federal Funds Rate	0.36%	0.08%	1.68%	4.64%
30-Year Mortgage	3.10%	2.96%	5.34%	7.03%
5-Year Auto Loan	5.15%	4.96%	4.52%	7.48%
Auto Insurance	\$190.7	\$183.83	\$190.17	\$202.74

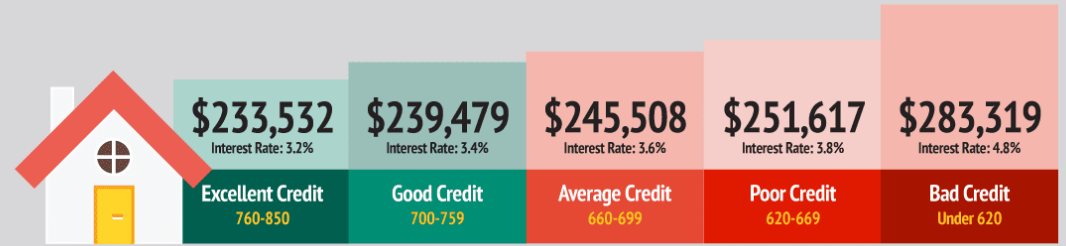
If your credit is less-than-desirable, you will pay a premium on top of this!



Your Score Matters!

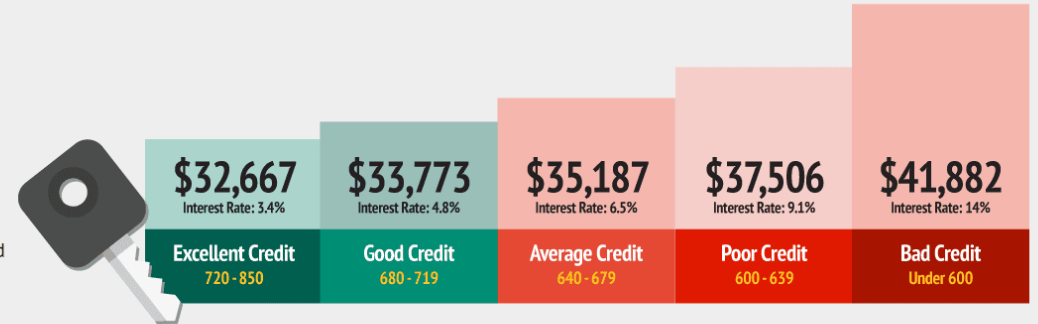
Mortgage Rates

30-year Mortgage for \$150,000. Amount shown is principal and interest.



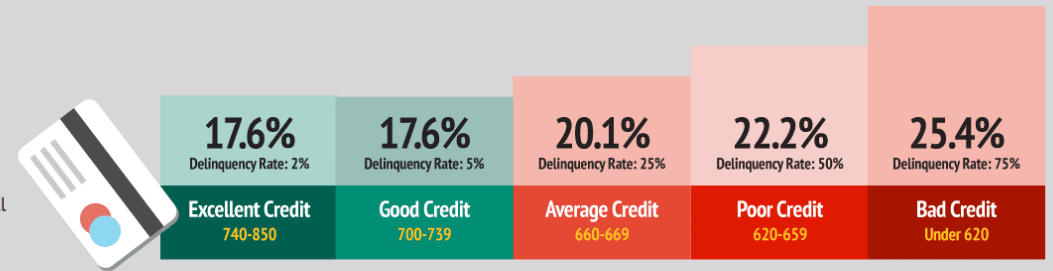
Auto Loan Rates

60-month Auto Loan for \$30,000. Amount shown is principal and interest.



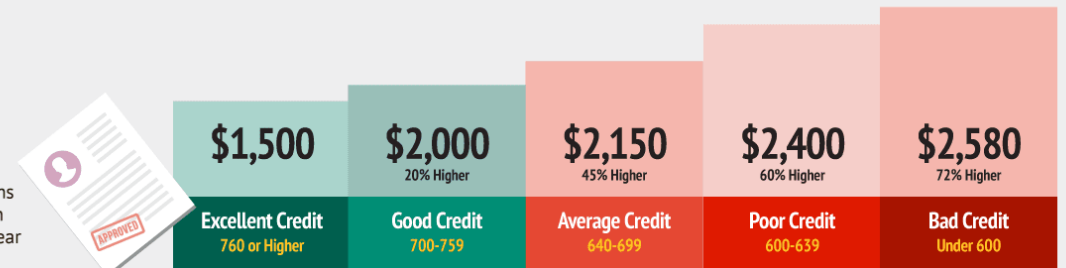
Credit Card Rates

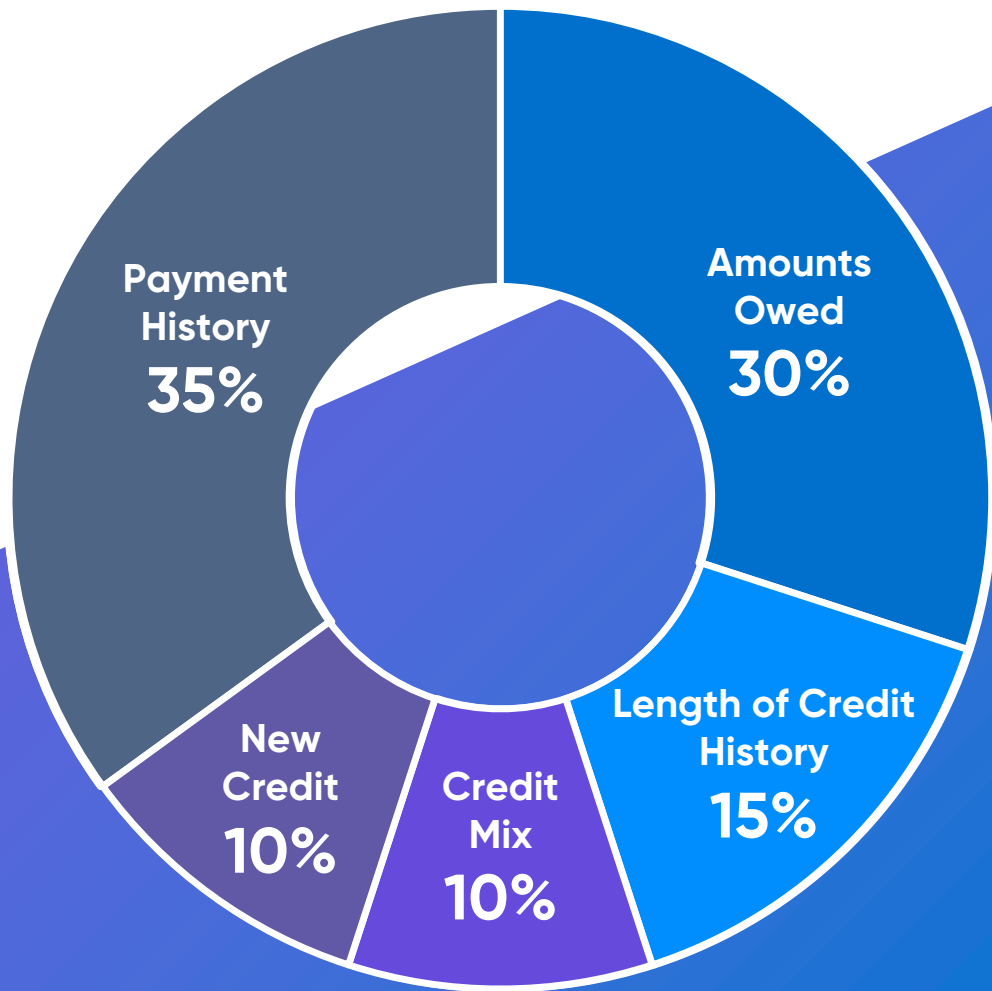
Average APR across all credit cards. Credit card rates will vary due to many different factors.



Insurance Rates

30-year-old driver no tickets, no claims 4-door 2016 sedan driving 12,000 a year in city traffic.





How is your Credit Score Determined?

Simply put, paying your bills on time and not maxing out your credit cards/lines or having a lot of new credit lines at once is a key factor in determining your overall credit health



Credit Utilization Ratio

$$\frac{\text{Balance}}{\text{Credit Limit}} = \frac{\$100 \text{ Balance}}{\$5,000 \text{ Credit Limit}} = 2\%$$

EXCELLENT!

Shows you are **responsible** with the amount of credit you have been given



Credit Utilization Ratio


$$\frac{\text{Balance}}{\text{Credit Limit}} = \frac{\$4,000 \text{ Balance}}{\$5,000 \text{ Credit Limit}} = 80\%$$

BAD!

You don't want your credit utilization rate to **exceed 30%**



Credit Utilization

	Balance	Max Limit	Credit Utilization
 Card 1	\$150	\$1000	10%
 Card 2	\$300	\$2500	12%
 Card 3	\$100	\$5000	2%
 Card 4	\$4000	\$7500	53%
Total	\$4,500	\$16,000	28%



Credit Utilization

Is paying off and closing a card a good choice?

	Balance	Max Limit	Credit Utilization
 Card 1	\$150	\$1000	10%
 Card 2	\$300	\$2500	12%
 Card 3	\$100	\$5000	2%
 Card 4	\$4000	\$7500	53%
Total	\$4,400	\$11,000	40%

CLOSED



6 Credit Card MISTAKES to Avoid

- Apply for too many cards at once
- Getting the wrong cards, especially early on in your journey
 - (Cash Back vs. Annual Fees)
- Maxing out your credit card
- **Not** treating your credit card as cash
- 0% APR offers
- Closing no annual fee credit cards



Credit Monitoring

Credit monitoring services actively monitor your credit and alert you quickly to any signs of fraud.

- Monitor your credit reports for changes
- Alert you to potentially fraudulent activity
- Help you detect and prevent identity theft
- Prompt you to take action to protect your financial health
- Track your credit scores and send alerts when they change





Maintaining Good Credit

It takes time, but it's worth it!

1. Always pay your bills on time. Set up autopay if it's available!
2. Keep your credit card balances low or pay them off each month!
3. If you have a balance on your card, reduce them!
4. Do not close a current account and then open a new one.
5. Check your credit report annually – if there are incorrect items, dispute them immediately!
6. Keep your credit utilization rate less than 30%

Consistent, responsible financial habits are key to achieving a higher credit score over time.

Questions



Thank you!

For additional questions, or, to inquire about
Wealth Management Services, contact:

David Herlihy

davidh@slavic401k.com

[Slavic401k.com/events](https://slavic401k.com/events)

- Saving and Paying for College: June 14
- Saving for Retirement: July 19

