

## Credit Scores

Your credit score will determine if you are approved for a loan, and can affect the interest rate on a new loan. Your credit report is often pulled if you rent an apartment, buy a cell phone, apply for a job that involves handling money, or need to have utilities connected.

### Key Factors of your Score:

1. How you pay your bills (35%)
2. Amount of money you owe and the amount of available credit. (30%)
3. Length of credit history (15 %)
4. Mix of credit (10%)
5. New credit applications (10%)

### What doesn't count:

Age, race, sex, job or length of employment, income, education, marital status, whether you've been turned down for credit, length of time at your current address, whether you rent or own your home, and any information not included in your credit report.

The above information was obtained from [www.myfico.com](http://www.myfico.com)

## Things to watch for with credit cards:

Introductory interest rates that increase after a certain number of months.

Higher interest rates charged on cash advances.

Transaction fees for cash advances, transfer balances, or purchases made in a foreign country.

Late fees.

Minimum monthly payment calculation

Over the credit line fees.

This, from an actual credit card website:

All of your APR's may automatically increase to the default APR (32.24% variable) if you default because you fail to make a payment when due, exceed your credit line, or you make a payment to us that is not honored.



Clarkson University  
Student Administrative Services



**Financial Reality Check**

**Debt Management Information**

# Steps to protecting your credit

1. Be sure your creditors know your current address.
2. Be sure to open any mail from them. Often you are notified of changes in the terms.
3. Mail your payments so that they are **received** by the due date.
4. Keep track of who you owe money to, and how much.
5. Make a budget and follow it.
6. Talk to your creditors if you have a problem.
7. Limit credit card use to true **emergencies**.
8. Beware of low “introductory interest rates” on credit card offers.
9. **Destroy** credit card offers addressed to you, don’t just toss them in the trash.
10. Watch your statements for changes in the due date.

Information regarding Identity Theft  
Click on the identity theft link at:  
[www.ftc.gov](http://www.ftc.gov)

Federal Trade Commission’s ID Theft  
Hotline: 1-877-438-4338

# Sample credit card payments

If you Paid the minimum monthly payment:	
Current Balance:	\$2000
Starting monthly payment 2% of balance	\$40
Annual Percentage Rate	15%
Total number of payments	<b>262 months = 22 years</b>
Total Interest Paid	<b>\$2,790</b>

If you Paid \$65 each month:	
Current Balance:	\$2000
Monthly payment	\$65
Annual Percentage Rate	15%
Total number of payments	<b>38 months= 3 years, 2 months</b>
Total Interest Paid	<b>\$529.53</b>

**\* Mail Opt Out \***  
**Opt out of credit card and insurance company offers, for 5 years, or permanently.**  
**Call toll free 1-888-567-8688 or online at [www.optoutprescreen.com](http://www.optoutprescreen.com)**

**\* Do Not Call Registry \***  
**Call 1-888-382-1222 to get your phone listed so that telemarketers can’t call you.**  
Or online at [www.donotcall.gov](http://www.donotcall.gov)

# Important Web page addresses

## CREDIT BUREAU INFO:

All consumers are now eligible for **one free credit** bureau report per year per bureau. To obtain your FICO score, there may be a fee. You can access this at:  
**<http://www.annualcreditreport.com/>**  
Your loans may be reported to several Credit Bureaus by each lender. If you should need to contact the most popular agencies, they are as follows:  
**Experian (Formally TRW Credit Information Service)**  
**888-397-3742 [www.experian.com](http://www.experian.com)**

**CBI/EQUIFAX**  
**800-685-1111 [www.equifax.com](http://www.equifax.com)**

**Trans Union Corp.**  
**800-916-8800 [www.transunion.com](http://www.transunion.com)**  
For more information about credit bureaus and resolving credit issues, call:

**Consumer Credit Counseling Services:**  
[www.cccsnys.com](http://www.cccsnys.com)  
[www.moneymanagement.org](http://www.moneymanagement.org)

**Federal Consumer Info Center:**  
[www.pueblo.gsa.gov](http://www.pueblo.gsa.gov) & [www.students.gov](http://www.students.gov)

**Better Business Bureau:**  
[www.bbb.org](http://www.bbb.org)  
If you are considering borrowing from a new lender, use this website to check them out.

This was prepared by Anne Moomey. Neither Anne Moomey nor Clarkson University received any compensation or benefit from any contact listed here. Questions? [amoomey@clarkson.edu](mailto:amoomey@clarkson.edu)