

How Credit History Impacts Credit Scores

Credit Report

A credit report is a summary of your financial history, which is used to calculate your credit scores. This is one of the factors lenders use to determine creditworthiness.



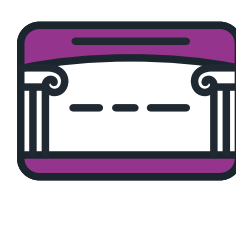
Identifying Information



Name



Recent Addresses



SIN



Date of Birth

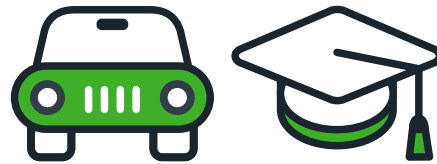
Credit Accounts

(Also known as "tradelines")



Revolving

A line of credit that can be borrowed against as needed with a minimum payment due each month.



Installment

Repaid over time with a set number of scheduled payments.



Mortgage

Installment loan to purchase a house.

Inquiries



Hard Inquiries

Occur when you apply for credit such as a loan, mortgage, or credit card. Hard inquiries may impact your credit scores.



Soft Inquiries

Credit checks such as pre-qualified credit card offers, or checking your own credit. Soft inquiries typically don't impact your credit scores.

Public Records & Collections

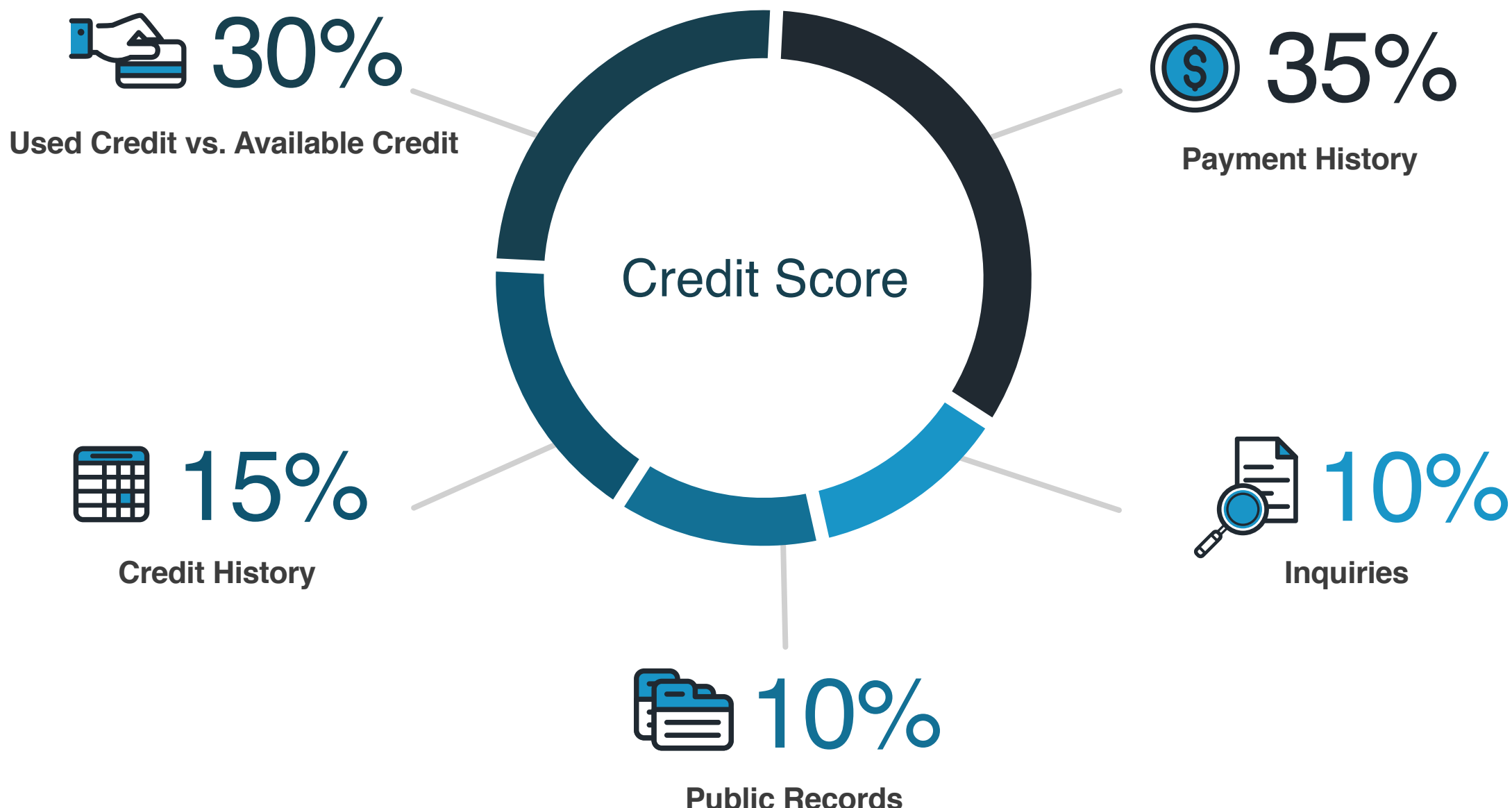


Bankruptcies



Collection Agencies

Here's an example of the factors that are used to calculate a **Credit Score**.



Why **credit scores** matter

A credit score is a snapshot in time that represents the health of your credit report. It's designed to predict your repayment behavior, but is not the only factor lenders use when deciding if they will extend credit and at what terms.



The information in the above chart is for general educational purposes only and does not represent score ranges specific to any one credit bureau or credit scoring model.

The loan terms offered to you are tied to how much risk the lender believes they are taking by extending credit to you. Consumers with higher credit scores usually qualify for better loan terms.

5 good habits for healthy credit



Pay your bills on time



Use a low percentage of your available credit



Only apply for credit when you need it



Give it time - The longer your average credit account age, the better



No negative public records, such as bankruptcies