



CREDIT REPORT

This tells creditors who you are and how you've dealt with credit in the past.

CREDIT RATING AND SCALE

The higher your rating, the better your score. Scores range from 300 to 900. Any score over 725 is good. Each item in the report is scored from 1 (you pay your bills on time) to 9 (you don't and debts have been sent on collection).

CREDIT CODE LETTERS

I

Installment loans with fixed payments over a specific period of time.

O

Open credit with payments due at the end of specific period.

R

Revolving credit featuring regular payments based on your account balance.

M

Mortgage

L

Lease account

CREDIT SCORE

The following factors determine your current score:

- Your repayment history (35%). Late payments, unpaid bills, collections, foreclosures or bankruptcies will have a negative impact and lower your score.
- How much credit you owe (30%). Being right at (or exceeding) your limit can lower your score.
- How long you've had your credit products (15%). The longer the better.
- How many times you've applied for credit (10%). Constantly applying for credit can lower your score.
- Types of credit established (10%). A good history with a variety of credit types can improve your score.

CREDIT MISTAKES

The following credit mistakes will have the most negative impact on your score:

- Maxed-out credit card: up to 45 points
- 30-day late payment: up to 110 points
- Debt settlement: up to 125 points
- Foreclosure: up to 160 points
- Bankruptcy: up to 240 points

HARD INQUIRIES VS. SOFT INQUIRIES

These are the two types of inquiries that can occur on your credit report.

- Hard inquiries—like applying for a credit card, vehicle loan or applying to rent an apartment—can affect your credit score by up to 5 points per inquiry.
- Soft inquiries—like checking your own report or getting a background check when starting with a new employer—typically will not have an impact on your credit score.

CHECKING YOUR CREDIT REPORT

We recommend that you do this once a year. Contact:

- Equifax (equifax.ca or 1-800-465-7166)
- TransUnion (transunion.ca or 1-866-525-0262)