



Harvard
FEDERAL CREDIT UNION

Understanding Your Credit Report and Score



Understanding Your Credit Report and Score

Presented by Harvard Federal Credit Union

Introduced by **Kimberly Smith, MA, LCMHC**
Senior EAP Consultant & Liaison to WDH

Assessment, Short-term Problem Solving and Referral

MGB Employee Assistance Program

Personal & Well-being

Stress/Resilience
Depression/Anxiety
Domestic Violence
Grief/Loss
Addictions
Relationships



Family & Life

Childcare
Financial
Eldercare
Legal
Parenting
Lactation

Workplace

Staff Support During Difficult Times
Manager Consultations
Workplace Issues
Work & Life Webinars / Seminars

Meet The Hosts



Terrence Bazile
Community Engagement Specialist



Ty Robinson
Community Engagement Specialist

Today's Webinar

Reducing Background Noise

We've muted all attendees to help with audio quality.

Using the "Questions" Feature

Submit questions at any point. Let's test it!

Presentation & Recording

This presentation is being recorded and will be posted on our YouTube channel to re-watch.

Post-Workshop Survey

Take our post-workshop survey and let us know how we did.

Not-For-Profit Banking at Harvard FCU



Community Focused

Harvard FCU is dedicated to empowering our community at Harvard and beyond. Once a member, always a member, even if you leave your job. When you join membership extends to all family members.



Products & Services

Free access to ATMs nationwide. Credit cards with cash back rewards. Home loans for purchases and refinancing, student loans and refinancing options, auto loans and more.



Access Anywhere

Convenient locations and Online Banking. Mobile Banking and Digital Wallet ready. Access to the nationwide CO-OP Shared Branching Network.

How Credit Works



Credit Score Impact

If your credit improves, you may be eligible to refinance your debt.

CREDIT SCORE	APR	MONTHLY PAYMENT	ADDITIONAL COST IN A YEAR	ADDITIONAL COST AFTER 3 YEARS
720-850	4.23%	\$741	\$0	\$0
690-719	5.68%	\$757	\$192	\$576
660-689	7.73%	\$780	\$468	\$1,404
620-659	11.29%	\$822	\$972	\$2,916
590-619	16.28%	\$882	\$1,692	\$5,076
500-589	17.71%	\$900	\$1,908	\$5,724
<500	Not Eligible	---	---	---

*Source: Myfico.com – 36 month car loan - \$25,000



What is credit?

Utilizing a loan now (e.g. education, car or home) and paying for it over a period of time.

What is NOT credit?

Credit is NOT paying for something using debit or income based funds.

Credit Bureaus



Three Major Bureaus

Experian, TransUnion and Equifax may have different information on each consumer based on what is reported to each.

Collect Information

Creditors, lenders, utilities, debt collection agencies, the courts, amongst other sources.

Individual Consumers

This information is on each individual consumer comes from creditors, lenders, debt collection agencies, and possibly utility companies on individual consumers.

Credit Reports

Debt

Credit card debt, auto debt, education debt, and other debts

Collections

Any time you are sent to collections, it will be added to your credit history.

Payment History

Historical view of on-time and late payment.



Account History

Any open or closed accounts at any financial institution.

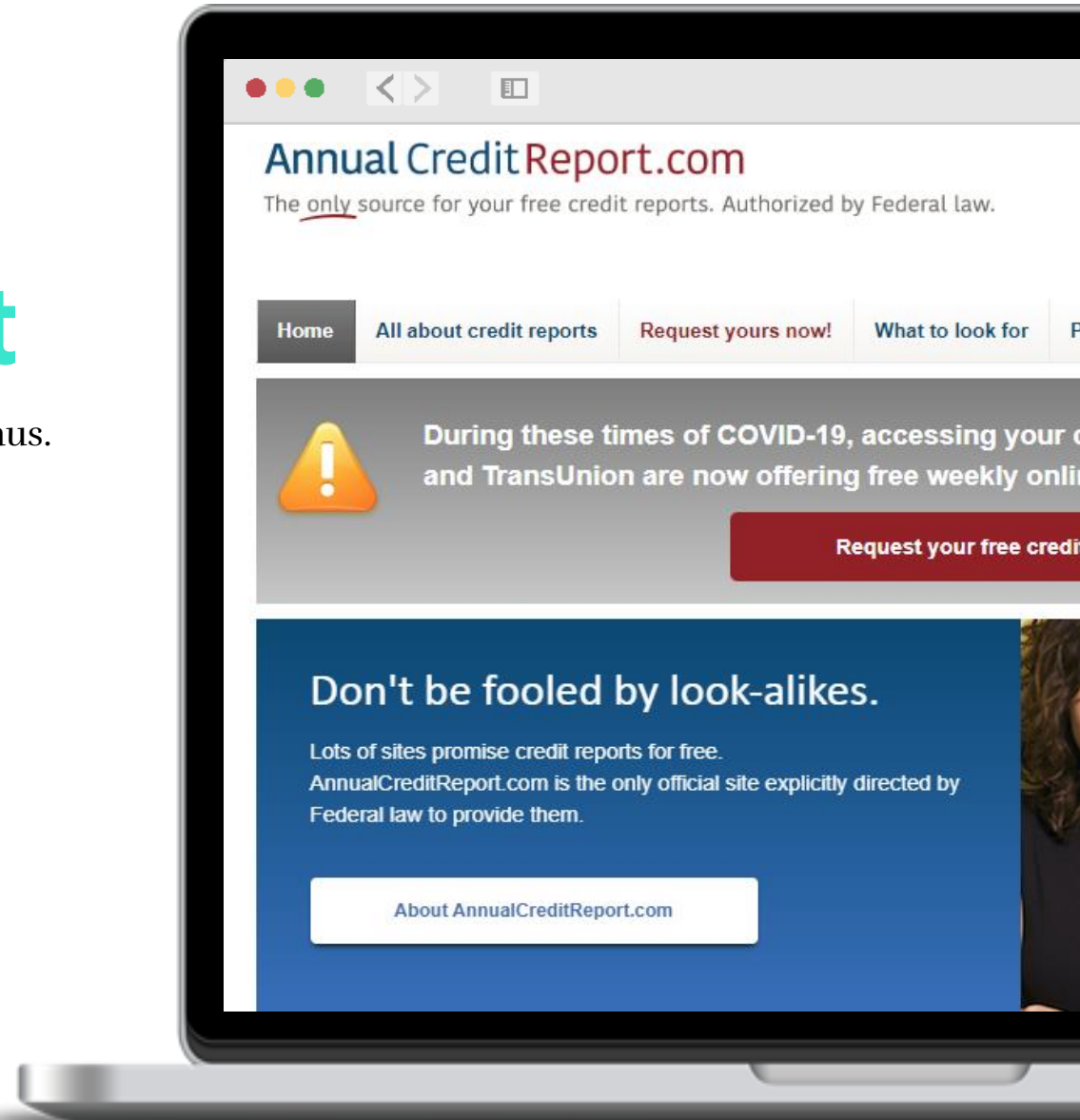
Request History

You can check your credit report once a year on annualcreditreport.com

Free Credit Report

Receive a free weekly copy of report from each of 3 bureaus.

[ANNUALCREDITREPORT.COM](https://annualcreditreport.com)



Sample Credit Report

HARVARD UNIVERSITY EMP / [REDACTED] / NU - Credit Card - Credit Union																		
Open Date	Credit Limit	High Balance	Status Date	Past Due	Last Paid Date	Scheduled Payment	Balance Date	Current Balance										
09/12/2003	\$5,500	\$5,429	11/2017		11/13/2017	\$127	11/28/2017	\$4,216										
Account Condition:	Open				Account #:	[REDACTED]												
Payment Status:	Current				Responsibility:	Individual												
Account Type:	Credit Card, Terms REV				Account Terms:	Revolving												
Payment History: (Up to 25 months)		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Delinquency Counter: (Past 7 years)	30	60	90+	Derog
	2017	C	C	C	C	C	C	C	C	C	C	C		0	0	0	0	
	2016	C	C	C	C	C	C	C	C	C	C	C	C					
	2015											C	C					
														Worst Delinquency:				
														Worst Delinq Date:				
														Months Reviewed:	99			

Sample Credit Report

*COMCAST / [REDACTED] YC - Other Collection Agencies																		
Open Date	Original Amount	Status Date	Past Due	Last Paid Date	Balance Date	Current Balance												
07/04/2015	\$310	08/2015	\$310		07/08/2016	\$310												
Account Condition:								Account #:	[REDACTED]									
Payment Status:	Seriously past due							Responsibility:	Individual									
Account Type:	Collection Department/Agency/Attorney							Account Terms:	1 Month									
Payment History: (Up to 25 months)		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Delinquency Counter: (Past 7 years)	30	60	90+	Derog
	2016	-	-	-	-	-	-	9						0	0	0	4	
	2015								9	9	-	-	9					
														Worst Delinquency:				
														Worst Delinq Date:				
														Months Reviewed:	12			

Credit Report Timing

Open accounts in good standing	Indefinitely
Closed accounts in good standing	10 Years
Chapter 7 bankruptcy	10 Years
Unpaid tax liens*	10 Years
Civil judgments*	7 Years
Late or missed payments	7 Years
Chapter 13 bankruptcy	7 Years
Collection accounts	7 Years
Paid tax liens	7 Years
Credit inquiries	2 Years

*As of July 1, 2017 only included if social security number or date of birth matches consumer's name and address.



How to Dispute Errors on Your Credit Report

Visit consumer.ftc.gov for sample letters.



Contact Credit Bureau

The dispute must be in writing and the bureau has 30 days to begin investigation.



Contact your Lender

Contact the lender in question to make sure they have record of all your payments.



Private Loans

Contact the lender in question to make sure they have record of all your payments.

What To Do If Your Information is Compromised

Fraud Alert vs. Credit Freeze

1

What's a **Fraud Alert**?

A fraud alert notifies business to go through extra steps to verify your identity before it issues credit, so it may try to contact you.

2

How to set up a **Fraud Alert**

Contact each of the credit bureaus to have them place an alert on your account; the alert lasts one year.

3

What is a **Credit Freeze**?

A credit freeze restricts access to your credit report, which in turn makes it more difficult for identity thieves to open new accounts in your name.

4

How to set up a **Credit Freeze**

To place a credit freeze on your account you need to contact each of the credit bureaus and set up a PIN. A credit freeze will last until you ask for it to be lifted.

Managing Your Credit Score

Learning Lab+

A free online education portal by GreenPath Financial Wellness with courses that are interactive and easy to use.

Courses include:

Making the Most of Your Money

AI Credit Tool

Paying Down Your Credit Card

HARVARDFCU.ORG/GREENPATH



What is a Credit Score?

Credit Scores are the measure of your consumer credit risk for lenders.

Independently Managed

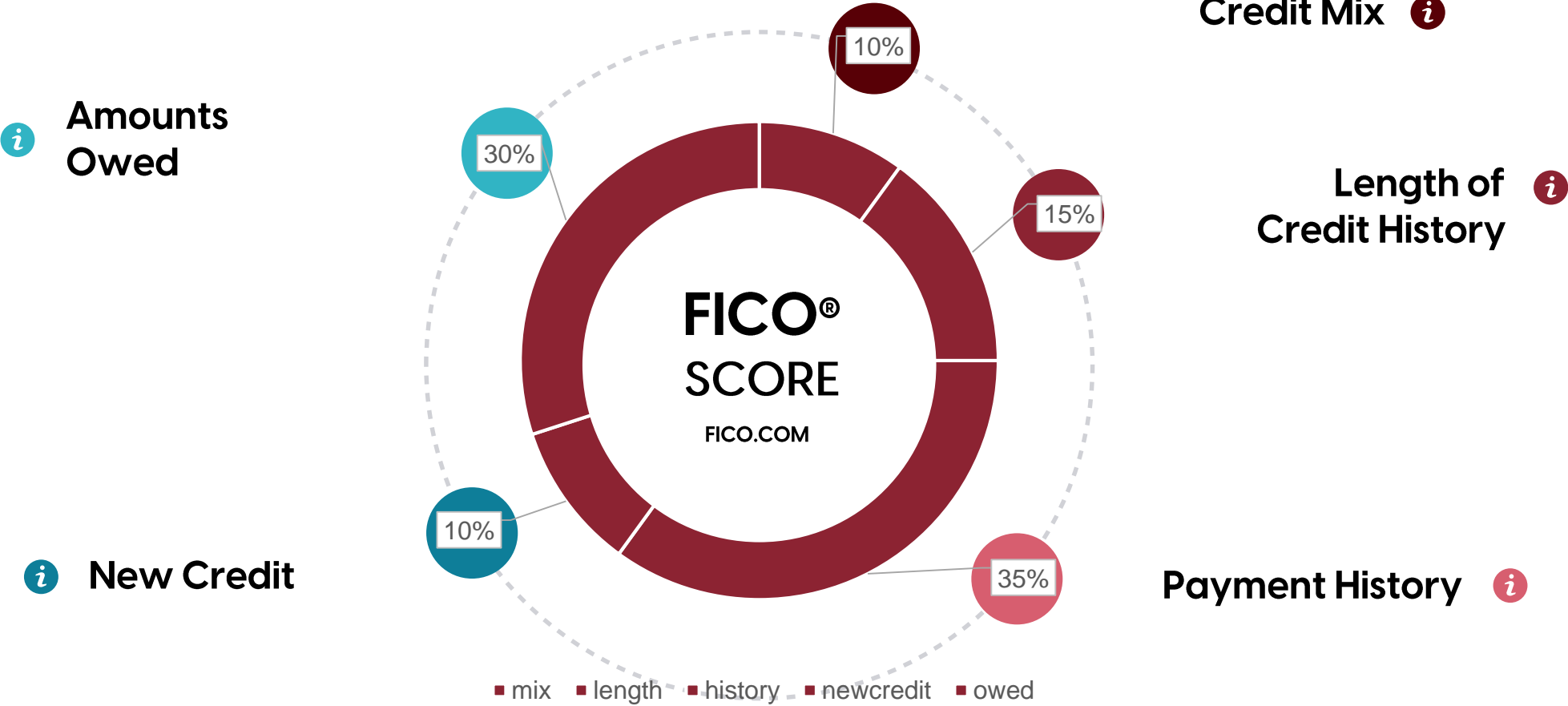
Scores are independently managed outside of credit bureaus. FICO Score and VantageScore.

Range of Scores

Most common range of scores is 300-850.

Excellent	750 +
Above Average	670 - 749
Fair	580 - 669
Poor	300-579

FICO Score

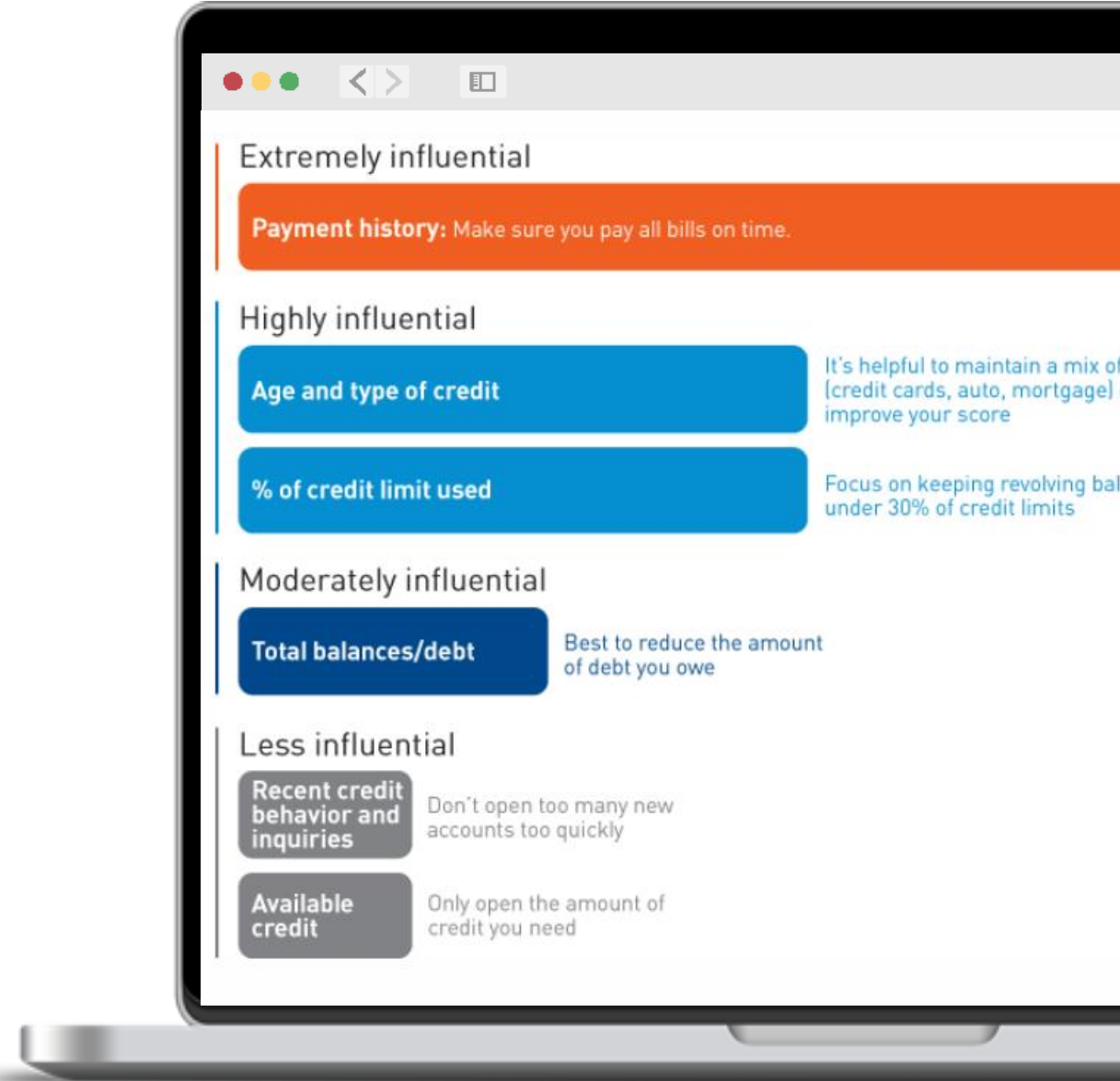


These percentages are based on the importance of the five categories for the general population. For particular groups—for example, people who have not been using credit long—the relative importance of these categories may be different.

Vantage Score

VantageScore is another credit scoring entity.

[YOUR.VANTAGESCORE.COM](https://www.yourvantagescore.com)



Sample Credit Score

Score Summary

Risk Model	Score	Code	Score Factor Description
FICO Score 8 (Score range: 300 - 850)	488	39	Serious delinquency
		18	Number of accounts with delinquency
		10	Ratio of balance to limit on bank revolving or other rev accts too high
		13	Time since delinquency is too recent or unknown

Score Summary

Risk Model	Score	Code	Score Factor Description
FICO Score 8 (Score range: 300 - 850)	656	16	Lack of recent revolving account information
		40	Derogatory public record or collection filed
		19	Too few accounts currently paid as agreed
		24	No recent revolving balances

Score Summary

Risk Model	Score	Code	Score Factor Description
FICO Score 8 (Score range: 300 - 850)	748	19	Too few accounts currently paid as agreed
		32	Lack of recent installment loan information
		10	Ratio of balance to limit on bank revolving or other rev accts too high
		30	Time since most recent account opening is too short

Options to Improve Credit Score

1

Secured vs. Unsecured Credit Cards

There could be credit cards at your financial institution to help build credit, especially if you have not had credit at this point.

2

Special Loans

Your financial institution could have special credit builder loans or you may want to look into debt consolidation loans.

3

One-On-One Financial Counseling

Contact GreenPath Financial Wellness to talk through your options for improving your credit score.



Choosing a Credit Card

INTEREST RATES AND INTEREST CHARGES

Annual Percentage Rate (APR) for Purchases	0.00% intro APR for the first 12 billing cycles from date of account opening. After the intro APR expires, your APR will be 11.74% to 17.99% based on your creditworthiness. This APR will vary with the market based on the Prime Rate.
APR for Cash Advances	11.74% to 17.99% based on your creditworthiness. This APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	0.00% intro APR for the first 12 billing cycles from date of account opening. After the intro APR expires, your APR will be 11.74% to 17.99% based on your creditworthiness. This APR will vary with the market based on the Prime Rate.
How to Avoid Paying Interest on Purchases	Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month.
For Credit Card Tips from the Consumer Financial Protection Bureau	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at https://www.consumerfinance.gov/learnmore .

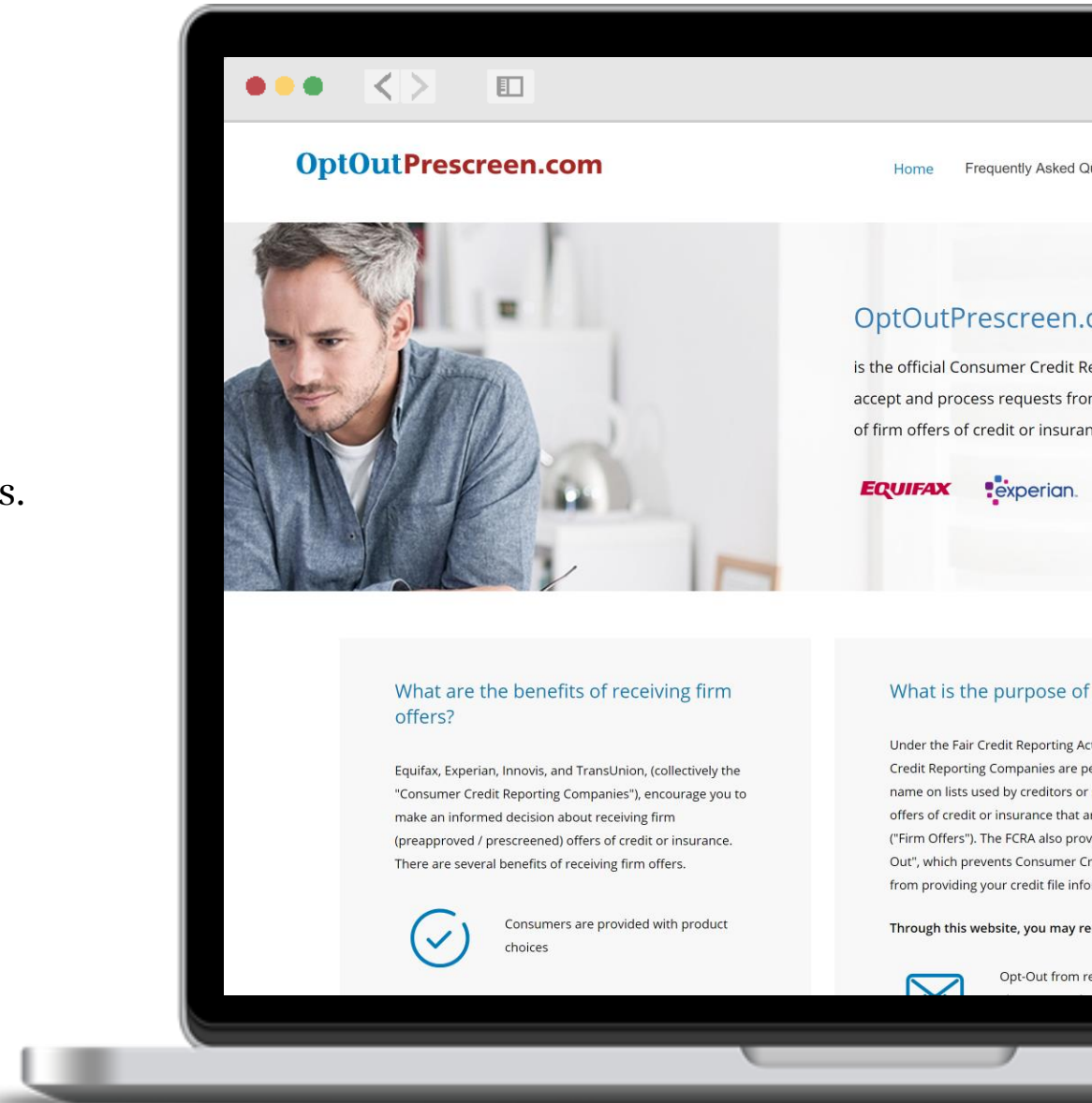
FEES

Annual Fee	None
TRANSACTION FEES	
Balance Transfers	2%
Cash Advances	None
Foreign Transactions	1% of the U.S. Dollar amount of each transaction made outside the United States
PENALTY FEES	
Late Payment Fee	\$10.00 or 10% of the outstanding balance, whichever is less.
Returned Check Fee	\$4.50
Replacement Card	\$15.00
Emergency Replacement Card	\$50.00

Opt Out

You can request to be removed from credit offers.

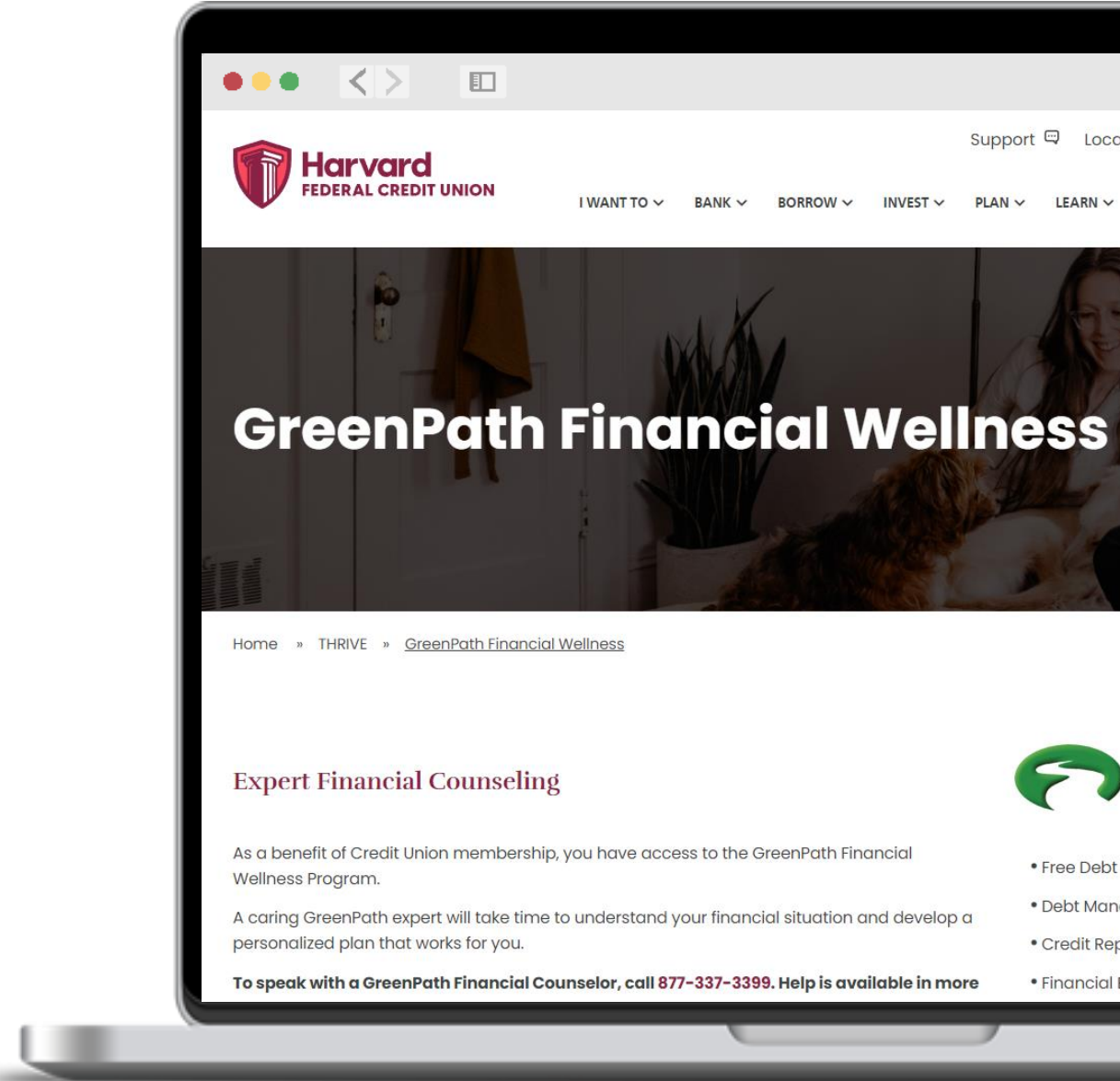
[OPTOUTPRESCREEN.COM](https://optoutprescreen.com)



Free Financial Counseling

GreenPath Financial Wellness offers free credit, and budget counseling

HarvardFCU.ORG/GREENPATH



Smart Rewards Saving Account

No fees. 4.00% APY¹.
Now that's smart.

harvardfcu.org/smart-rewards

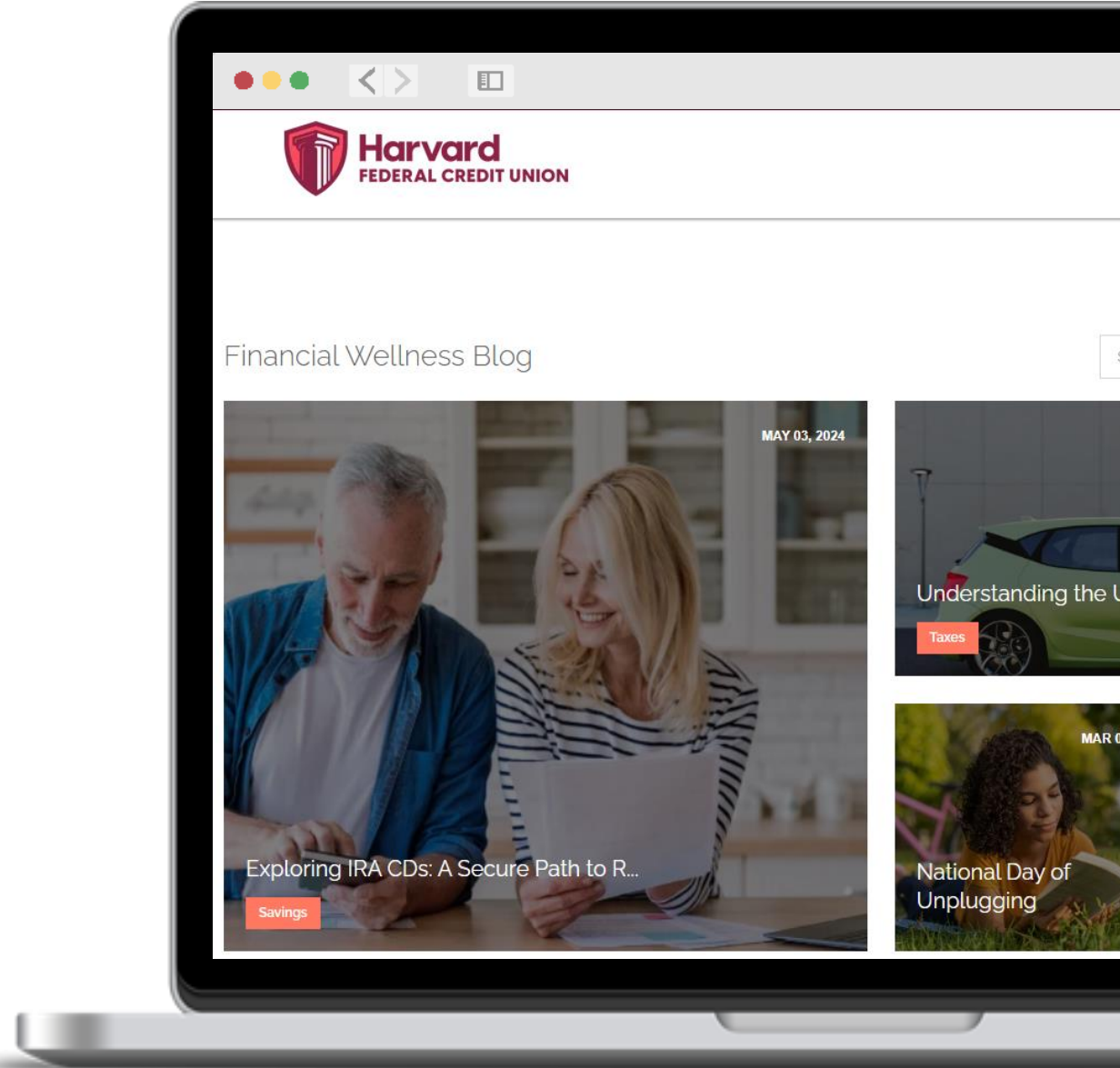
1. Daily balances up to and including \$25,000 in your Smart Rewards Savings account earn a dividend rate of 3.93% resulting in an APY of 4.00% and daily balances over \$25,000 earn a dividend rate of .10% on the portion of the daily balance over \$25,000, resulting in a range from 4.00% to .88 APY depending on the daily balance in the Smart Rewards Savings account. When your Smart Rewards Checking account qualifications are not met, the entire daily balance in the account earns a dividend rate of .05% resulting in an annual percentage yield of .05% APY. APY = Annual Percentage Yield. APYs accurate as of 04/01/2023.



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Questions?



Disclaimer

This presentation is a general overview of principles you may want to consider. Only you can decide what is best for you. This presentation is educational in nature and is not intended to be, and should not be construed as tax, legal or investment advice. You should always consult a certified advisor for advice on your specific situation. The examples used in this presentation are for illustrative purposes only.

Let's keep in touch!

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