

Building & Understanding Credit

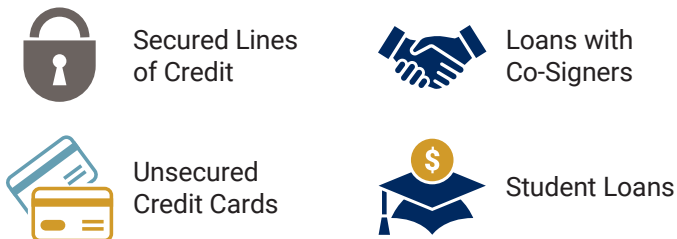
1 What are Credit Basics?

Credit scores affect more aspects of daily life than you might realize. In addition, they can vary between the 3 main bureaus:



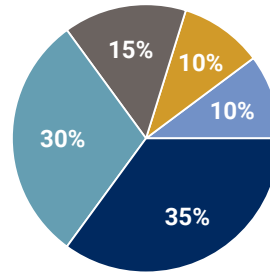
18	300-850	706
is the age at which you may start building credit in the United States	is the available range for an individual credit score	is the average credit score in the United States

2 What are different ways to build a credit score?



3 What are the key areas that impact your score?

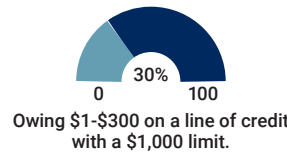
Understanding how your score is determined can help you maintain a healthy credit score. This knowledge allows you to avoid making credit mistakes unknowingly and how to rebuild an already damaged credit score.



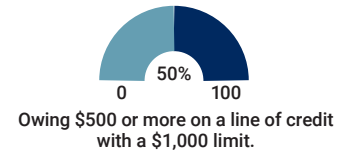
- Payment History
- Credit Utilization
- Age of Credit
- Credit Inquiries
- Account Mix

- Always make the minimum payment.
- Late payments are reported after 30 days.
- When rebuilding credit, pay past due accounts.
- Mistakes can affect score for 2-10 years.
- Start building credit as soon as possible.
- If possible, keep oldest lines of credit active.

Ideal Utilization Range 1-30%



Damaging to Your Score 50%+



Credit inquiries can be divided between **hard** and **soft inquiries**. Hard inquiries decrease your score temporarily. Lenders also like to see a mix of **fixed repayment debt** and **revolving debt** on your credit report.

Tips for Credit Success

- Make at least your minimum monthly payments
- Start establishing credit as early as possible
- Pay off bad debts as soon as possible
- Know when your credit is being pulled
- Keep revolving debt below 30% utilization
- Be strategic about what accounts you apply for

Manage your credit by knowing what impacts it, making informed choices, reviewing it regularly and staying focused on the bigger picture!

- Contact your HORAN representative at 800.544.8306 and visit www.horanassoc.com for more information.
- For additional HORAN WealthBeing resources visit: horaneducation.com/financialwellness-selfstudy
- Listen to the HORAN podcast, "Benefits: What, Like it's Hard" on your favorite app.

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