



# UNDERSTANDING YOUR CREDIT REPORT

A credit report is a history of how consistently you pay your financial obligations. It is created when you first borrow money or apply for credit and is built over time.

The companies that lend or collect money or issue credit cards (banks, finance companies, credit unions, retailers, etc.) send credit reporting agencies specific and factual information about their financial relationship with you. Details, such as when you opened your account, timeliness of your payments and if you have gone over your credit limit are shown in full.

Although this information is confidential, you have the right to see your credit report and no one else has access to the information in the report unless you allow it.

Typically, when you apply for a loan, a credit card or even a mortgage you will need to allow this organization to check your credit history.

The credit report summarizes information about the different types of accounts you have. It will have the following account types:

- Revolving accounts, like credit cards and lines of credit
- Installment accounts, like loans
- Other accounts, eg: cell phone
- Collection accounts

There are many ways to order your credit report, such as by phone or fax. The easiest and safest method is by internet through a credit-reporting agency such as Equifax or TransUnion Canada.

When you receive your credit score it's important to make sure that the information in the report is correct. If the score is lower than you want, read the report carefully to find out which factors are most likely having a negative influence on the score, and then work to improve them.

## Tips to Remember to Improve your Credit Score:

- Make sure you have a credit history: you may not have a credit history because you do not have a record of owning money and paying it back. One way to build a credit history is by using a credit card.
- Always pay your bills on time
- Don't go over 50% of the credit limit on your credit card
- Apply for credit in moderation



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