Module 7 - Credit Reporting   **HANDOUT 7-2**

Credit reports

Credit bureaus summarize your credit use in a report. The credit report is one of the main things lenders look at when they decide whether or not to give you credit.

A credit report contains your history of credit use, and your credit ratings.

An easy way to think about how these relate to each other is to think of the credit bureau as a school. The credit report is your report card. The credit rating is your grade in each subject. The credit score is your overall grade point average.

65%
GPA

Credit Bureau	Credit Report	Credit Rating	Credit Score
TransUnion EQUIFAX	Name: Credit file #: Credit Inquiries:	TD Visa: R1	700

Module 7 - Credit Reporting   **HANDOUT 7-2, continued**

Who can get access to your credit report?

Lenders: Financial institutions or credit card companies will ask your permission to check your report. This is to check your credit worthiness. They can use the information in your report to decide:

- Whether to give you credit

- Your credit limit

- The amount of the loan

- The interest rate.

When you apply for a loan or credit card, the lender will likely require that you give them access to your credit report for as long as you have an account with them.

Landlords: If you are trying to rent an apartment, some landlords may ask you to give them access to your credit report when you fill out a rental application. They use this information to see if you are likely to pay your rent.

Insurance: Some insurance companies use credit information along with other information when deciding to give you insurance and what rate to charge you.

Employers: Some employers may ask to do a credit check when you apply for a new job. They may use your credit report to help them decide whether you will be a responsible employee. For example, government departments or companies that deal with credit or investments often ask for a credit check for new employees or contractors. This is part of their security screening.