



What You Need To Know About Credit In 2010

The Current Market

Reports & Scores

New Laws

Tips & Seeking Help

The Current Credit Market



**Lenders Are
Tightening
Their Belts**



Revaluating Risks

**Lowering Credit
Limits For Some**

**Raising Rates
For Some**



Closely Evaluating New Risks

**Good Credit
Important**

Down Payments



**Good News, There Are
Good Rates Available**



3 Major Credit Bureaus Maintain A Report On You

- ✓ TransUnion
- ✓ Equifax
- ✓ Experian



What's On Your Credit Report?

- ✓ Personal Information (Name, SSN, Etc)
- ✓ Credit Lines & Accounts
- ✓ Credit Inquiries (Last 2 Years)
- ✓ Public Records & Collections
(Bankruptcies, Liens, Foreclosure, Etc)

Check Your Credit Report

www.annualcreditreport.com



**Beware Of Pirates
Offering Free
Credit Reports**

**Credit Reports
Are Like Your
Academic File
From School**

**Credit Scores
Are Like Your
GPA**

FICO Credit Scores

- ✓ Developed By Fair Isaac Corporation
- ✓ Used By Majority Of Lenders
- ✓ Score For Each Of 3 Credit Bureaus

www.myfico.com

FICO Credit Score Scale

750-850	Excellent
700-749	Very good
650-699	Good credit
600-650	Fair
550-600	Poor

Let's Go House Shopping

\$300,000 home mortgage (30 year)



Let's Go House Shopping

Good Credit: 4.460% (\$1,513/mo)



Let's Go House Shopping

Ok Credit: 5.073% (\$1,624 /mo)



How You Feeling Buyer B?



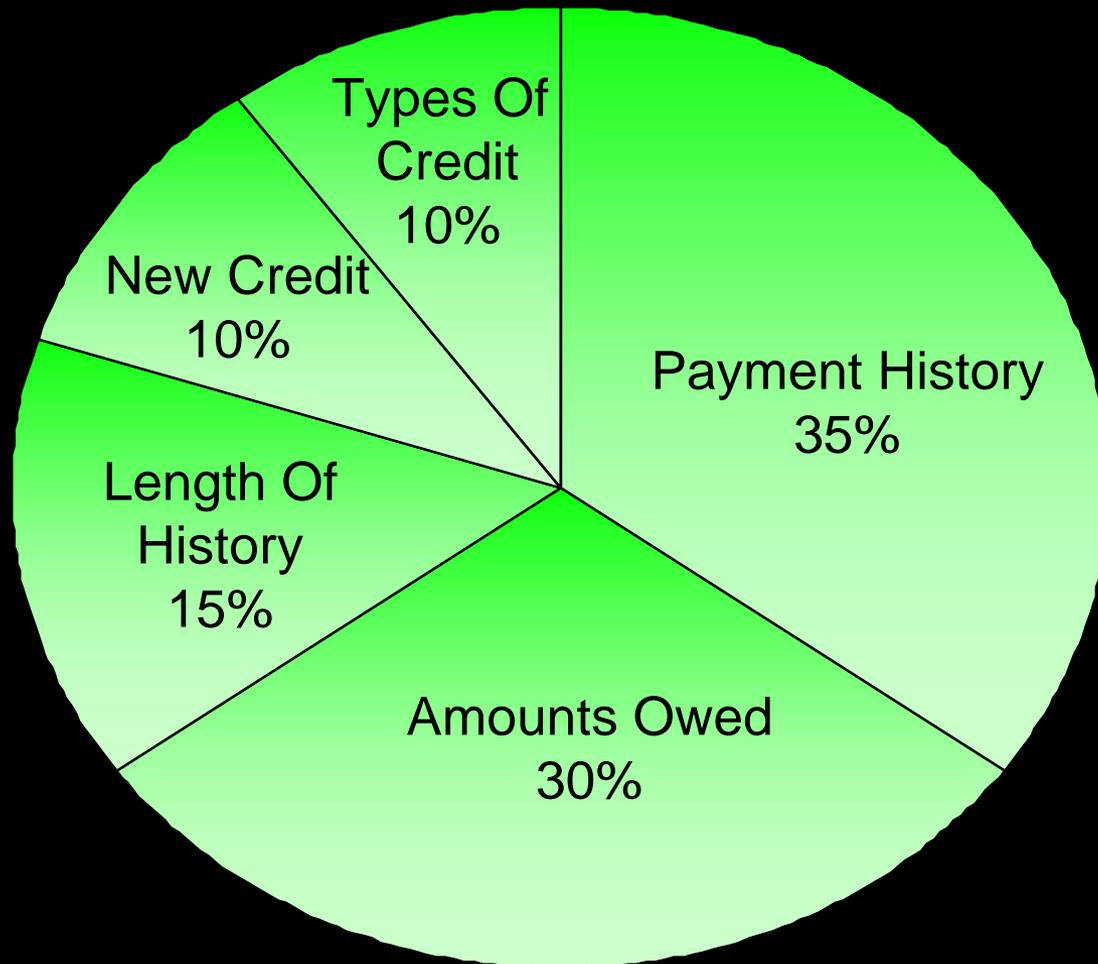
Buyer A



Buyer B

Nearly **\$40,000** difference over life of loan

How's Your Credit Score?



Vantage Score

- ✓ New score developed by 3 bureaus

901 – 990 = A

801 – 900 = B

701 – 800 = C

601 – 700 = D

501 – 600 = F

www.vantagescore.com

How To Dispute An Error

- ✓ Contact Your Lender
- ✓ Contact The Credit Report Agency
- ✓ Put Your Dispute In Writing
- ✓ Follow

If You're In Over Your Head

- ✓ Contact Your Creditor
- ✓ Or Certified Credit Counselor

<http://www.nfcc.org/>

- ✓ There Are Rules For Debt Collectors
Fair Debt Collection Practices Act

CARD Act Of 2009

**Signed to end unfair
rate increases and fees**



Limit On Rate Increases

**No Interest Rate Increases
On Pre-Existing Balances**

Rates Can't Increase During 1st Year
*** Teaser Rates Can Apply, But
Must Last 6 Months**



CARD Act 2009

Limits On Fees

Over Limit Fees Need Your Permission

*** Companies Must Disclose Fee**

**No Fee For Paying
Online, Mail, Or Phone**



CARD Act 2009

More Time To Pay Bill

Now Have At Least 21 Days To Pay Bill

Payment Due Dates Cannot
Change Each Month



CARD Act 2009

More Transparency

45 Days Notice Of Changes

**Must Display How Long To Pay Off
Balance, If Only Minimum Payment**

Agreements Must Be Posted Online



CARD Act 2009

Under 21

**Must Have Co-Signer,
Or Prove Adequate Income**

Pre-Screened Offers Cannot Be Sent

Free Gifts Restricted On Campuses



CARD Act 2009

Other Changes To Note

Payments Above Minimum, Must Be Applied To Highest Interest Balance

Regulators Must Report Annually To Congress On Enforcement



CARD Act 2009

How To Get The Best Rate

- ✓ Shop Around
- ✓ Pull Your Credit Report & Score
- ✓ Use Score To Advantage, If Good
- ✓ Repair Score, If Bad



Tips For 2010

Shopping For Credit Cards

- ✓ Shop Around For Best Rate
- ✓ Factor In Perks/Incentives
- ✓ Federal Reserve Survey Of Cards

<http://www.federalreserve.gov/Pubs/shop/survey.htm>



Tips For 2010

How To Improve Your Score

- ✓ Pay Your Bills On Time
- ✓ Pay Down Debt
- ✓ Use Credit Wisely & Lightly
- ✓ Check Credit Report For Errors



Tips For 2010

Questions?

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