

Keys to Your Financial Future

Step 2.1: Calculate Your Debt-to-Income Ratio

If you have no debt or income, skip this step for right now. But remember to come back to it when you do have income and debt. You can use this as a tool to keep your debt in check in relation to your income. You can also use it when you are considering taking on more debt. Remember to include the monthly payment of new debt in your calculation.

“A bank is a place that will lend you money if you can prove that you don't need it.”

— BOB HOPE

Debt	Monthly Amount Owed
Credit Card Debt	
Automobile Loan	
Student Loan	
Other	
Other	
TOTAL MONTHLY DEBT	

Monthly Gross Income = _____

Total Monthly Debt/Monthly Gross Income = _____

- If number is .20 (20%) or less, you do not have too much debt.
- If the number is .21 (21%) or greater, you have too much debt. Get assistance from the Opportunity Passport™ site staff if you have too much debt.

Sometimes your ability to repay is just not enough. Creditors want to know what assets you have that you may be able to use or sell should you need the money to cover the loan. This is **capital**.

Which assets count? They are looking for financial assets (savings account, certificates of deposit) or physical assets. This information comes from your credit application.

Sometimes creditors want to have legal rights to take something your own in case you don't pay them back. This is **collateral**. Many forms of credit including most credit cards do not need collateral.

Big loans for items like cars or homes usually require collateral. The collateral in those cases is usually the item the loan is for.

- ➔ In the case of a loan for a car, the car becomes the collateral. The car is actually “pledged” (which is like a legal promise) against the loan should you not pay back the loan. If you don't pay back the loan, the lender will take the car and sell it. This is called **repossession** or “repo” for short.
- ➔ In the case of mortgage (a loan for a house), the house becomes collateral. If you don't pay the loan as agreed, the lender can foreclose. **Foreclosure** is when the lender takes back the home and sells it to cover the loan.

Alternative lenders may also require collateral.

- ➔ For pawn shop loans, the collateral is the item you have “pawned.” If you don't pay the pawnbroker back as agreed, then the item you pawned will be sold to the general public in the pawn shop.
- ➔ For pay day loans, your post-dated check serves as collateral. Unless you pay back the loan or renew the loan, your post-dated check will be cashed.

Loans that require collateral are called secured loans.

“Neither a borrower nor lender be,
For loan oft loses both itself and
friend, And borrowing dulls the edge
of husbandry.”

— SHAKESPEARE

Capital

Do you have other assets that can be used or sold to cover the loan?

Collateral

Do you have an asset that can be pledged against the loan?

Character

Are you likely to pay back the loan as agreed?

What is a Post-Dated Check?



A post-dated check is one you write today. Instead of writing today's date on it, you write a date for sometime in the future. For payday loans, the check is most commonly written for two weeks into the future.

Why do creditors or lenders care about character?

Because they want to know if you are likely to pay them back.

Since most creditors or lenders do not know you personally, they have to use something else to figure out your character. They want to know whether you are **the kind of person who pays bills and honors credit agreements**. What do they use? They use your **credit reports** and **credit scores**. In fact, many lending decisions are primarily based on credit scores or reports.

A **credit report** is a written record that includes some of your bill-paying history. A **credit score** is a number calculated using information on your credit reports.

Does someone's credit report or credit score = someone's character?

There is much more to someone's character than what is included in their credit reports and credit scores. While lenders and other businesses may use this to determine someone's character, always **remember that there is much more to your character than what is captured on your credit reports.**

What is in a Credit Report?

A credit report contains some of your bill-paying history. Your credit reports will include information about the following and more:

- ➔ Credit cards you have.
- ➔ Loans you have.
- ➔ The amount of money you have borrowed through loans and credit cards.
- ➔ On-time payments for credit cards and loans.
- ➔ Late payments for credit cards and loans.
- ➔ A history of the places you have lived.
- ➔ Whether you have any payments outstanding because of legal judgments.

How does information get on your credit report?

Individuals and businesses report your payment patterns to credit bureaus. They report your payment patterns in a number of situations:

- ➔ When you make your payments on time.
- ➔ When you are late with your payments.
- ➔ If you miss a payment.
- ➔ If you miss many payments—by this time, your debt may be in collections.
- ➔ If you seem to have stopped paying altogether.

Not all of your bill paying is recorded. Many companies only report to the credit reporting agencies if you miss payments or are late. In other words, some businesses only report negative information not positive information.

Credit Reporting and Your Rights



Credit reporting agencies must follow the law when collecting information about you. The law they have to follow is the Fair Credit Reporting Act (FCRA).

For example, you must be informed if your credit file has been used against you—this means your credit report has led to you not getting a job, an apartment or a loan.

You have the right to know what is in your file—you can get your credit report anytime; you can get each of your reports for free one time per year.

You have the right to dispute (challenge) incorrect information. You have to identify the inaccurate information and provide proof. And the credit reporting agencies have 30 days to address your dispute.

For more information on your rights under the FCRA, visit www.FTC.gov/credit.

Utility companies, cell phone providers, landlords, rent-to-own businesses, payday lenders, medical providers (doctors, dentists, and hospitals), and other businesses are among those that generally only report if you are delinquent. However, since December 2010, Experian has been reporting positive residential rental payments.

Why are Credit Reports Important?

You may be wondering why you need to know about credit reports. If you are under 18, you are too young to have credit. Even if you are over 18, you may have never even used credit. So, why is it important for you to know about credit reports?

A lot of people use credit reports to make decisions about you:

A **bank or credit union** may use credit reports to decide whether to give you a loan.

A **credit card company** may use credit reports to decide whether to give you a credit card.

A **landlord** may use credit reports to determine whether to rent an apartment to you.

A **potential employer** may use credit reports to determine whether you will get a job.

An **insurance company** may use credit reports to determine whether to give you insurance coverage as well as the rates you will pay for coverage.

A **utility company** may use credit reports to figure out how much deposit you must pay before your electric or gas is turned on.

A **cell phone provider** may use credit reports to determine what plans you may be eligible for and the rates you will pay.

Finally, credit scores are completely based on information in your credit reports. The more positive the information in your credit reports, the higher your credit scores will be. You will learn about credit scores later in this section.

Why Credit Reports Matter

Even if you don't think you want credit, your credit report will matter if you want:

- ➔ An apartment.
- ➔ A job.
- ➔ Electricity or gas service.
- ➔ A cell phone plan.
- ➔ Insurance.



As a young person in foster care or leaving foster care, getting your credit report and reviewing it at least once per year will be one of the most important things you do for your financial future.

““ A person's credit report is one of the most important tools consumers can use to maintain their financial security and credit rating, but for so long many did not know how to obtain one, or what to do with the information it provided. ””

— RUBEN HINOJOSA

How Long Does Negative Information Stay On Your Credit Report?⁴

In general, negative information stays on your credit report for seven years. This means that if you default on a loan today, then it will have show up on your credit report for the next seven years.

There are some exceptions to the seven-year rule:

- ➔ Bankruptcies are reported for 10 years. Some credit reporting agencies only report Chapter 13 bankruptcies for 7 years.
- ➔ Tax liens are reported until you pay them off and then for seven more years.
- ➔ Civil lawsuits, judgments and arrests will stay on your credit history for seven years after they are recorded by the court.

What is a Tax Lien?

KEY CONCEPT

A lien is a legal term. It is a right to take property if someone does not pay an obligation.

A tax lien happens when someone doesn't pay their taxes. The government files for a tax lien on the property owned by the person who owes taxes. If the taxes are not paid, the government can take the property and sell it to cover the taxes that were not paid.

There are no time limits for the reporting of negative credit information when you do the following:

- ➔ Apply for a job with a yearly salary of \$75,000 or more.
- ➔ Apply for more than \$150,000 worth of credit.
- ➔ Apply for life insurance with a face value of \$150,000 or more.

What is a Bankruptcy?

KEY CONCEPT

Sometimes people feel there is no way they can pay their obligations and debts. They may file for bankruptcy with the courts. It costs money to file for bankruptcy. There are also other requirements people must meet.

There are two kinds of personal bankruptcy. In Chapter 13 bankruptcy, the court reorganizes the debts. The court sets up payment plans with the creditors. Often the individual ends up paying less and an amount he or she can handle. In Chapter 13 bankruptcy, you are protecting your assets but obligating future income.

In Chapter 7 bankruptcy, the court takes most of the person's assets, sells them and then pays off the creditors. Once this is done, the debt is discharged even if some creditors do not get paid much or at all. In Chapter 7 bankruptcy, you are giving up your assets today, but protecting your future income.

⁴The Federal Trade Commission Website was used to verify information in this section. www.ftc.gov.

Where Do You Get Your Credit Report?

Credit reports are made by businesses called **credit reporting agencies**. Sometimes they are called credit bureaus. The three main credit reporting agencies are **Experian**, **Equifax** and **TransUnion**.

Equifax	TransUnion LLC	Experian
PO Box 740241 Atlanta, GA 30374-0241 1-800-685-1111 (to order a report) 1-877-784-2528 (to speak to a customer service representative) www.equifax.com	PO Box 1000 Chester, PA 19022 1-800-888-4213 (to order a report) 1-800-916-8800 (to speak to a customer service representative) www.TransUnion.com	1-866-200-6020 www.experian.com

Security Questions and Identity Theft



Identity theft is when someone steals and uses your name and other information about you. Often this includes your social security number. They use this information to get credit or other services.

If you have been the victim of identity theft, the security questions may present a barrier to accessing your credit reports. You may be asked the monthly payment range for your mortgage. If this mortgage was opened in your name without your knowledge, you will not be able to answer this question to get your credit reports.

You may need to contact the credit reporting agencies directly to get your credit reports if you cannot answer the security questions.

Credit Reports if You Are 18 or Older

If you are 18 or over, you can order a credit report from any of these companies any time. You can order them from their websites. You can call them. You can write to them. You should review your credit reports from all three credit reporting agencies because they do not all have the same information.

You can also get one free report each year from all three credit reporting agencies. This is because of a law called the FACT Act. There are three options to get your free credit reports:

Option 1 Go to **www.annualcreditreport.com**

Be sure to go to this site. There are many sites that claim to be the site for “the annual credit report” or “free annual credit report”. These other sites are generally trying to sell you a credit monitoring service or some other service. These other “free” credit report sites are called “imposter websites.”

Option 2 Call **1-877-322-8228**

Option 3 Write to:
Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281

Credit Reporting Agencies keep information on millions of people. To get your credit report, you will need to give them your:

- ➔ Name.
- ➔ Address (and your previous two or three most recent addresses).
- ➔ Birth date.
- ➔ Social Security Number.

You will also be asked a series of security questions like these:

- ➔ The name of a street you lived on before your current address.
- ➔ The monthly payment for a loan you have.
- ➔ The name of a creditor or lender you have a loan with.
- ➔ The security questions are generally based on information in your credit report.

After you receive one free report from each credit reporting agency, there is usually a fee for any additional reports in a year. There are some exceptions:

- ➔ If you have been denied credit, a job or an apartment based on your credit, then you get a free report from the credit bureau that gave the information that led to your denial. ***You must request the report within 60 days of the denial.***
- ➔ If you are receiving public assistance, then you are allowed an additional free report.
- ➔ If you are unemployed and planning to look for a job within the next 60 days, then you can get a free report.
- ➔ If your report is inaccurate because of fraud including identity theft, then you can get a free report.

Credit Reports if You are Under 18 Years Old

If you are under 18, you should not have a credit report at all. You cannot legally enter into a contract for credit if you are under 18. However, if your identity has been stolen, you are likely to have a report with at least one of the credit reporting agencies (Equifax, Experian or TransUnion). Because information may be different with each credit reporting agency, you must check with all three credit reporting agencies if you suspect identity theft or fraud.

Accessing your credit report if you are less than 18 years old can be tricky. Each credit reporting agency has special instructions for minors ordering their credit reports. In most cases a parent or legal or court appointed guardian must make the request in writing or by calling.

Currently, there is no way to access your report through www.annualcreditreport.com. This is because the credit reporting agencies “do not knowingly create a credit file for anyone under 18.”

If you haven't experienced identity theft, you will not have a file except in the following situations:

- ➔ You are an emancipated minor.
- ➔ You are an authorized user on someone's credit card.
- ➔ You have student loans.

If there has been identity theft, there is likely to be a credit report. All three credit reporting agencies should be checked. Here is how to check:

Equifax⁵

There are three ways to check to see if you have a credit file at Equifax.

Option 1: Call customer services at 1-877-784-2528 and explain you are a minor in foster care and want to ensure you have not been the victim of identity theft.

Option 2: Call the Security Freeze Hotline at 1-888-298-0045. Through the automated system, enter information requested: full name, current address, social security number and date of birth.

If the system responds by asking you to send in more information, you do not have a credit file.

If the system allows you to continue placing a security freeze OR asks you for additional security questions, you have a file. If this is the case, call 1-877-784-2528 and talk to a customer service representative.

Important note: Not every customer service representative is helpful. In fact, they may insist that as a minor you cannot have a credit file. Just request a supervisor in this case.

Option 3: Write the Office of Consumer Affairs at:
Equifax Information Services LLC
Office of Consumer Affairs
P.O. Box 105139
Atlanta, GA 30348

Include:

- ➔ Cover letter including full name and birth date.
- ➔ Copy of the birth certificate.
- ➔ Copy of the Social Security Card.
- ➔ Copy of parent or guardian identification card.

If legal or court-appointed guardian, a copy of documentation showing this relationship.

Credit Reports if You are 14 – 17



You should not have credit reports if you are under 18. There are some exceptions:

- ➔ If you are an emancipated minor, in some states you may be able to enter credit contracts before you are 18.
- ➔ If you are an authorized user on someone's credit card.
- ➔ If you have student loans.
- ➔ If your identity has been stolen and used by someone else to get credit—loans and credit cards, cell phone plans, medical services, utilities or cable service.

If you are under 18 and have a credit report due to identity theft, you must work with staff at in your Opportunity Passport™ site.

The Child Welfare System in your state must also check to see whether you have a credit report once a year starting when you are 16. This has to be done—it is required by law. Sometimes, you will know they are doing this on your behalf. Sometimes, they will do this without your knowing about it. But know they are legally responsible as of January 1, 2013 to ensure inaccurate negative information is removed from your credit file before you leave foster care.

⁵Information verified July 2012.

TransUnion⁶

There are two ways to check to see if you have a credit file at TransUnion.

Option 1: **Call customer service at 1-800-680-7289.** They will verify whether you have a credit file. If you do, you will need to work with your court-appointed or legal guardian to order your report. Provide full name, current address, social security number and date of birth.

Option 2: **Send an email.** TransUnion allows you, parents or guardians to send an email to childidtheft@TransUnion.com. You will need to include your full name, social security number, current address and the statement: "Please confirm whether there is a credit file for this minor." The response will be "yes" a credit file exists. Or "no" a credit file does not exist. If the answer is yes, then the full report should be ordered by writing to TransUnion at:

**TransUnion
PO Box 6790
Fullerton, CA 92834**

Include:

- ➔ Cover letter including full name, birth date and addresses for the previous 5 years.
- ➔ Copy of the birth certificate.
- ➔ Copy of the Social Security Card.
- ➔ Copy of parent or guardian's identification card.
- ➔ If legal or court-appointed guardian, a copy of documentation showing this relationship.

Experian⁷

Option 1: **Check a website or call Experian.**

If you are a minor who is 14 years old or older, you may request a copy of your personal credit report, add a fraud alert or place or remove a credit freeze at www.experian.com/consumer/cac/PrepopulatedForm.do?PrePopulatedForm.No=1052&type=victim

or by calling **1-800-311-4769**.

The request will either be processed or you will be notified that Experian does not have credit information about you.

Credit reports for minors who are 13 years of age or under cannot be accessed online because the Children's Online Privacy Protection Act restricts the online collection of personal information regarding children.

Option 2: **Write to Experian at the following address:**
**Experian
PO Box 9532
Allen, TX 75013**

⁶ Information verified July 2012

⁷ Information verified July 2012

Include:

- ➔ Cover letter including full name, birth date and addresses for the previous 5 years.
- ➔ Proof of current address.
- ➔ Copy of the birth certificate.
- ➔ Copy of the Social Security Card.
- ➔ Copy of parent or guardian identification card.
- ➔ If legal or court-appointed guardian, a copy of documentation showing this relationship.

With the new law, the Children’s Bureau has discussed the idea of the credit reporting agencies developing a universal or automated process to obtain the credit reports of youth in foster care (or verify that one does not exist). While the credit reporting agencies are exploring possibilities, no such mechanism or system is currently available.

Another Credit Report to Know About: CoreScore™ Credit Report⁸

In addition to the credit reports provided by Transunion, Experian and Equifax, **you may have a CoreScore™ Credit Report.** This credit report is produced by CoreLogic. This credit report includes information not traditionally found on the Transunion, Experian or Equifax credit reports. It is supposed to capture nontraditional credit history. The CoreScore™ Credit Report includes expanded public record information including evictions and wage garnishments, estimated asset values (what things are worth), ownership histories for property, and payday loan and rent-to-own payments.

This additional information is supposed to provide a more “complete consumer picture” and help people who do not have much traditional credit.

According to CoreLogic, more information is likely to be added to the report as time goes on.

A FICO Score based on this report in development.

**You can get your CoreScore™ Credit Report
By calling (877) 532-8778 or**

**By mailing a request to:
CoreLogic Credco, LLC
P.O. Box 509124
San Diego, CA 92150**

Impact of Identity Theft on Credit Reports and Scores



Sometimes young people have their identities stolen by family members or other people who have access to their personal information. Those who

steal identities do so because their own credit reports are too poor or their credit scores are too low to get jobs, get loans, credit cards, qualify for apartments, get cell phones, and so on. For young people in care, their personal data can be accessed by many—family members, extended family members, foster parents, staff at congregate care facilities, case workers, social service agencies, and more. This creates an even greater risk for identify theft.

Unfortunately, identity theft can result in your having a poor credit report and low credit scores even though you have never applied for credit. This poor credit can keep you from getting credit, an apartment, a job, a cell phone plan, insurance and utilities.

The best time to get these issues cleared up is before you are 18. This is because you cannot legally enter into a credit contract until you are 18. Mortgages, credit cards and other financial products in your name if you are under 18 can only be the result of fraud. Creditors are much more likely to move to remove these accounts in your name (and on your credit report) if you have not yet turned 18.

⁸ www.corelogic.com and interview with staff members in May 2012 and November 2011.

You will need to include your first, middle and last name, Social Security Number, current and previous addresses, and date of birth. You will also have to send proof of your identity and where you live.

Reading a Credit Report

Reading a consumer credit report can feel intimidating. In general, there are five sections:

1. **Personal Information**—This includes your name and any variations of your name you may have used, your social security number, your current address and phone number, your previous addresses and phone numbers, and sometimes employment information.
2. **Public Records**—This includes bankruptcies, liens (right to property until a debt is paid; liens are often placed because of unpaid taxes), garnishments (court order allowing money, assets or wages of someone to be seized to satisfy a debt) and other judgments resulting from court actions.
3. **Account Information**—This section includes the names of all of the accounts opened under your name and information. It includes account numbers, creditor contact information, balances, payment status, account types, terms, dates opened, and payment patterns. This is where most information on a credit report is. ***This is also the section where you are likely to see whether someone else has stolen your identity.***
4. **Accounts in Collection**—Some credit reports separate accounts that are in collections. If an account has gone to collections, this means the creditor has given up trying to get payment from you. They have given the account to a special department that handles delinquent payments. Or they have sold the debt to a collection agency or lawyer to collect. Special laws apply to debts that have been sold to collection agencies or lawyers.
5. **Inquiries**. Companies look at your credit reports when you apply for credit. They also review your accounts or use the information to offer you a special promotion.

Payment Patterns on Your Credit Reports



Credit reports include information about your payment patterns. Payment Pattern, often abbreviated “PayPat” on credit reports show how you paid on an account each month. On time payments and payments that are 30 days late, 60 days late and 90 days late are recorded. This section will also show whether a creditor has given up collecting payment from you and “charged off” your account. Sometimes it will indicate your account has been sold to a collection agency.

KEY ACTIVITY

Reading a Credit Report

Use the credit report to answer the questions that follow.

Subscriber Name: Auto Credit Zone

Results Issued: 10/15/12

Input Parameters

Reference ID: 7892

SSN: XXX-XX-5555

Name: Williamson, Maria

Current Address: 3456 1st Street

Des Moines, IA 63072

Example Credit Report⁹

Name: Williamson, Maria

SSN: 555-55-5555

In File Since: 04/09

Phone: (444) 444-4444

Current Address: 3456 1st Street

Des Moines, IA 63072

Reported: 09/11

Previous Address: 987 2nd Ave.

Des Moines, IA 63074

Reported: 07/10

45632 5th Blvd #8

Des Moines, IA 63074

Reported: 04/09

Employment

City Hospital

Position: Assistant

Start: 06/11

In File Since: 07/11

Family Restaurant

Position: Wait Staff

Start: 09/10

In File Since: 11/10

Alerts and Special Messages

Type: None

Explanation:

Public Record Information

ABC Bank: (ZP 234567)

Docket #: 692Q49DM

Assets:

Filed: 07/11

Type: Paid Civil Judgment

Liabilities:

Verified: 09/11

Court:

Plaintiff: ABC Bank

Original: \$2,375

Responsibility: Individual (I)

Attorney: Vasquez

Balance: \$0

Paid:

Current:

Balance:

Collections

Results Collection: (Y 09876)	Account #: 98765	Account Rating: 09B
Original Creditor: Big Department Store	Amount Placed: \$489	Opened: 05/11
Account Type: Revolving	Balance: \$350	Paid:
Responsibility: Individual (I)	Past Due:	Closed:
	Last Payment:	Verified: 06/12

Trades

Easy Auto Finance: (A 07788)	Account #: 3210987	Account Rating: I03
Account Type: Automobile	Credit Limit:	Balance: \$7,097.75
Responsibility: Individual (I)	High Credit: \$7,500	Past Due: \$311.38
Remarks: Late on payments	Terms: 60M155.69	Opened: 3/12
		Paid:
		Closed:
		Verified: 9/12
Late Payments: 1 1 0	Delinquency	Maximum: 09/12
		Months 1 - 12
		Amount: 351.38
		Months 13 - 24
30 60 90		321111

National Credit: (N 33445)	Account #: 6758493021	Account Rating: R01
Account Type: Credit Card	Credit Limit: \$1,500	Balance: \$1,475
Responsibility: Individual (I)	High Credit: \$1,768	Past Due:
Remarks:	Terms: MIN75	Opened: 01/12
		Paid:
		Closed:
		Verified: 10/12
Late Payments: 0 0 0	Delinquency	Maximum:
		Months 1 - 12
		Amount:
		Months 13 - 24
30 60 90		111111111

Inquiries

<u>Date</u>	<u>Subscriber Name (Code)</u>
1/4/12	National Credit Card (N 33445)
2/15/12	Community Credit Union (Q 34728)
2/21/12	Credit for Cars (A 55623)
2/21/12	Easy Auto Finance (A 07788)

Consumer Statement

None

Report Provided By:
 Example Credit Report Consumer Affairs Department
 (800) 123-4567
 P.O. Box 546 Wilmington, DE 34567

1. Whose credit report is this?

2. Where does the person live?

3. How many places has the person lived?

4. Has the person had a bankruptcy?

5. Has the person had an account in collections? If yes, what is the account?

6. How many credit accounts does this person have open?

7. What is the balance on each account?

8. How many are late? How late are they?

Debt Collections and Your Rights



When a creditor sells your information to a collection agency or a lawyer that specializes in collecting debt, you have rights under the Fair Debt Collection Practices Act (FDCPA).

For example, they can only contact you between 8 a.m. and 9 p.m.

They must send written notice of the debt they are trying to collect within 5 days after they first contact you.

They cannot harass you, use obscene language, make false statements, or threaten you.

They can contact your friends, family and neighbors to ask about your address, phone number, or where you work. But, they can only contact each person one time.

They must stop contacting you if you ask them to stop in writing. This does not make the debt go away, only the phone calls.

They can contact you one more time to tell you what they intend to do. One of the things they can do is sue you. **If you get a notice of a law suit, do not ignore it. Get help immediately from your Opportunity Passport™ site or get help from Legal Aid.**

For more information on your rights under the Fair Debt Collections Practices Act, visit www.ftc.gov/bcp/edu/pubs/consumer/credit/cre18.shtm.

Reviewing Your Credit Reports: 18 or older



Once you are 18, you should get and review your credit reports—all three of them—at least once a year. If you have been the victim of identity theft or think you may be, you will need to review your credit reports more often.

You are solely responsible for taking care of your credit history and scores.

Reviewing Your Credit Reports: 14 to 17 years old



Once you are 16, the Child Welfare Agency in your state must check to see if you have a credit report.

To develop your knowledge and skills, you may want to work with Opportunity Passport™ site staff to get and review your credit reports annually. Starting this habit young, will help ensure you continue this. Checking your credit reports at least annually helps protect your financial future.

9. Overall, do you think this person's credit looks good or does it look like it needs work?

10. Would you extend more credit to them? Why or why not?

How Often Should You Look at Your Credit Report?

Once you are 18, you should get and review all three credit reports every year. This is important for a few reasons:

- ➔ You will be able to see if you have been the victim of identity theft.
- ➔ You will be able to check to make sure your payments are being recorded correctly.
- ➔ You are responsible for taking care of your credit history.

Use the checklist to do this.