



Financial Consumer  
Agency of Canada

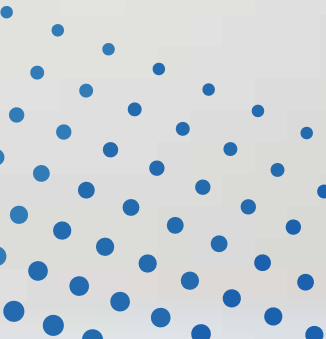
Agence de la consommation  
en matière financière du Canada

Canada



UNDERSTANDING YOUR  
**CREDIT REPORT  
AND CREDIT SCORE**

PRESENTER'S GUIDE



### Introduction

Welcome to the Understanding Your Credit Report and Credit Score presentation, and thank you for agreeing to be a presenter. By delivering this workshop, you are helping Canadians better understand their finances and manage their debt.

This manual contains all the instructions and information you will need to give the presentation. If you have any questions, please contact us at [info@fcac-acfc.gc.ca](mailto:info@fcac-acfc.gc.ca).

*Have fun!*

### Materials you'll need

- This manual.
- A projection system with the Microsoft PowerPoint file "*Understanding Your Credit Report and Credit Score Presentation*" uploaded to a personal computer.
- Evaluation form (one copy per participant).
- (Optional) Summary handout (one copy per participant).
- (Optional) TransUnion or Equifax credit report application form (one copy per participant).

### Here are some tips to help you prepare:

- Read through this manual.
- Familiarize yourself with the PowerPoint presentation and upload it to a personal computer.
- Review the optional handout that summarizes the key content from the workshop. If you wish to hand it out, make enough copies for each participant.
- Review the optional activity at the end, in which participants begin the process of applying for a copy of their credit report from the credit bureaus. If you wish to use this activity, make enough copies of the application forms for each participant. You may wish to have applications from both TransUnion and Equifax.

## The presentation

This presentation is designed to educate Canadians about credit reports and credit scores, how credit reports and credit scores are created and used, why it is important to check their credit reports annually, and how to improve their credit scores. All the content you need to convey to participants is covered in the PowerPoint presentation, with additional information points included in this manual.

Participants will also engage in some activities designed to help them practice what they are learning. To help them follow through, encourage them to apply for a copy of their credit reports once the workshop is over.

Because a great deal of information is being presented at once, it may be hard for participants to take it all in. To break up the presentation, we have inserted quick questions and activities throughout the workshop. These are set off in boxes, with a QUICK BREAK tag. The quick breaks are meant to be done orally and should take no more than about 30 seconds each. Most of the quick breaks ask participants to turn to a partner and share information they have learned. If you feel that this would be uncomfortable for your group, you can ask the quick break questions of the group as a whole rather than having participants form pairs. You can skip the quick breaks if you wish, but we recommend that you use them to keep participants focused.

The workshop is designed to take one hour in total: 45 minutes for the actual presentation and 15 minutes for questions and the optional activity at the end. Estimated time allocations are indicated next to each section of the workshop. Note how much time you are taking to complete each section, and try to keep to the allotted times so you are able to cover all the material.

## Presenting tips

- Keep it moving. Encourage participants to ask questions, but don't let too much discussion slow down the pace of the workshop.
- Give time warnings. When participants are doing an activity, let them know before they start how much time they will have to complete it and remind them when it is time to wrap up the activity.
- A one-hour workshop can't teach everything there is to know about credit reports and credit scores. Show participants the *Credit reports and scores* section of the Government of Canada's website, [Canada.ca](http://Canada.ca), for further information.

## Evaluation

FCAC appreciates feedback on our materials and programs from both presenters and participants. Please send us copies of the evaluation forms and any comments of your own so that we can continue to offer relevant products that speak to the needs of participants:

Financial Consumer Agency of Canada

Attn: Consumer Education

Enterprise Building

427 Laurier Avenue West, 6<sup>th</sup> Floor

Ottawa, ON K1R 1B9

Other ways to contact FCAC:

- For services in English: 1-866-461-FCAC (3222)
- For services in French: 1-866-461-ACFC (2232)
- For calls from the Ottawa area or from outside Canada: 613-960-4666. Information officers are available from Monday to Friday, between 8:30 a.m. and 5:00 p.m., Eastern Time.
- Email: [info@fcac-acfc.gc.ca](mailto:info@fcac-acfc.gc.ca)

## Overview

Here is an overview of the presentation.

SECTION	TOPIC	TIME	SLIDES	PAGES
1	Introduction	10 min	2-13	5-10
2	Credit report and credit score basics	15 min	14-35	11-31
3	Checking your credit report	10 min	36-43	32-39
4	Summary	5 min	44-47	40-41
5	Q & A	10 min	48	42
6	Optional activity	5 min	49	43
7	Contact us	5 min	50	44



### Slide 1: Title slide



Understanding Your Credit Report and Credit Score

Welcome everyone and show Slide 1: Title slide.



### Slide 2: Section 1 – Introduction

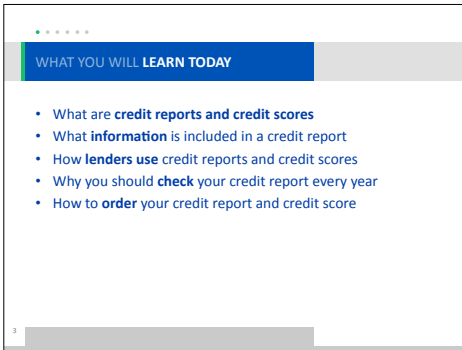


Make the following introductory points:

- I'm glad you're here to learn about credit reports and credit scores. This knowledge can help you manage your money and improve your financial well-being.
- The presentation will be informative and interactive. You'll do some activities to help you apply what you're learning, and you'll have time to ask questions.
- We need your feedback, so please fill out the evaluation that I'll give you at the end of the presentation before you leave.
- As an icebreaker, ask participants
  - Who knows what their credit score is?
  - Who has reviewed their credit report in the past year?



## Slide 3: What you will learn today



- What are credit reports and credit scores
- What information is included in a credit report
- How lenders use credit reports and credit scores
- Why you should check your credit report every year
- How to order your credit report and credit score

Show Slide 3: What you will learn today.



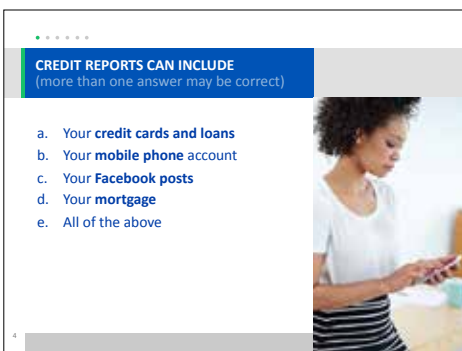
### Quick quiz

Tell participants that you'll start with a short quiz to see what they already know about credit reports and credit scores.

Show Slides 4 to 13, and ask participants to call out the answers. (Alternatively, you can ask participants to raise their hands if they think the correct answer is a, b, true, false, etc.) Show the corresponding slides with the correct answers and explain that you will discuss these topics in more detail later on.



## Slide 4: Question 1



### Credit reports can include (more than one answer may be correct)

- Your credit cards and loans
- Your mobile phone account
- Your Facebook posts
- Your mortgage
- All of the above



## Slide 5: Answer to question 1

ANSWER

- a. Your credit cards and loans
- b. Your mobile phone account
- d. Your mortgage

- a. Your credit cards and loans
- b. Your mobile phone account
- d. Your mortgage



## Slide 6: Question 2

TRUE OR FALSE?

When it comes to credit scores, the lower the number, the better.

### True or false?

When it comes to credit scores, the lower the number, the better.



## Slide 7: Answer to question 2

ANSWER

**FALSE:**  
The higher the credit score, the better.

### False:

The higher the credit score, the better.



### Slide 8: Question 3

MISSED PAYMENTS GENERALLY STAY ON YOUR CREDIT REPORT

- a. For 1 year
- b. For up to 6 years
- c. Forever
- d. Only as long as you want them to

**Missed payments generally stay on your credit report**

- a. For 1 year
- b. For up to 6 years
- c. Forever
- d. Only as long as you want them to



### Slide 9: Answer to question 3

ANSWER

- b. For up to 6 years

b. For up to 6 years, though this can vary depending on the type of information, the credit bureau and the province you live in.



### Slide 10: Question 4

TRUE OR FALSE?

To build a credit history, you should **apply for every type of credit card** you can get your hands on.

**True or False?**

To build a credit history, you should apply for every type of credit card you can get your hands on.





## Slide 11: Answer to question 4

ANSWER

**FALSE:**  
To build a credit history, you need to use **different types of credit over time**.  
However, you shouldn't apply for too many sources of credit within a short period of time.

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### False:

To build a credit history, you need to use different types of credit over time.


However, you shouldn't apply for too many sources of credit within a short period of time.



## Slide 12: Question 5

TRUE OR FALSE?

You have to **pay to order your credit report** from a credit bureau.



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### True or False?

You have to pay to order your credit report from a credit bureau.



## Slide 13: Answer to question 5

ANSWER

**TRUE AND FALSE:**  
You **don't have to pay** when you order your credit report by **mail or phone**. If you order your credit report using one of these methods, you'll get it by mail.  
You **do have to pay** to get your credit report instantly online, and you usually have to pay to get your credit score.

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### True and False

You don't have to pay when you order your credit report by mail or phone. If you order your credit report using one of these methods, you'll get it by mail.

You do have to pay to get your credit report instantly online, and you usually have to pay to get your credit score.



### FCAC Web Content

- Remind participants that this workshop will cover the most important information they need to know about credit reports and credit scores.
- Tell them they can access free web content from the *Credit reports and scores* section of the Government of Canada website, <http://www.canada.ca/money>, for more detailed information.
- If you have access to the Internet, you may wish to display FCAC's video on Credit Reports and Scores (<https://www.canada.ca/en/financial-consumer-agency/services/credit-reports-score/credit-report-video.html>).

You can introduce the video by saying:

“The Financial Consumer Agency of Canada has created a video to help demonstrate the importance of credit reports and scores. Let's find out what your credit report says about you.”

- You may also wish to display FCAC's infographic Credit Reports Matter (<https://www.canada.ca/en/financial-consumer-agency/services/credit-reports-score/infographic-credit-report.html>).
- Let participants know that the information being provided has been confirmed with the credit bureaus. Some information regarding credit reports and scores is proprietary and can't be disclosed by the credit bureaus. If you receive questions that you can't answer, or for which an answer can't be found on the Government of Canada's website, Canada.ca, please forward the question(s) to the Financial Consumer Agency of Canada at [info@fcac-acfc.gc.ca](mailto:info@fcac-acfc.gc.ca).

## SECTION 2: CREDIT REPORT AND CREDIT SCORE BASICS (15 MINUTES)

### NOTES



### Slide 14: Section 2 – Credit Report and Credit Score Basics



#### Types of Credit

Ask participants to name different types of credit they have used or know of. Answers could include:

- Credit cards
- Store credit cards
- Personal loans
- Car loans
- Student loans
- Mortgages
- Lines of credit

#### What is a credit report?

A credit report is a summary of your credit history — that is, your record of borrowing money.



### Slide 15: What is a credit report?

WHAT IS A CREDIT REPORT?

- Summary of your credit history
- Compiled by Canada's credit bureaus:
  - Equifax
  - TransUnion
- Based on information submitted by lenders and other companies, such as banks, credit card companies and telecommunications companies

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- Summary of your credit history
- Compiled by Canada's credit bureaus:
  - Equifax
  - TransUnion
- Based on information submitted by lenders and other companies, such as banks, credit card companies and telecommunication companies

**Show Slide 15:** What is a credit report?, and go over the following information points:

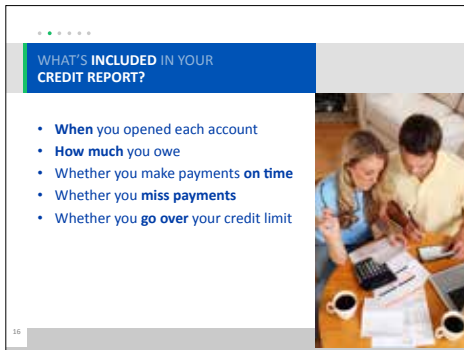
- A credit report is a summary of your credit history—that is, your record of borrowing money in the past.
- It is created when you borrow money or apply for credit for the first time.
- Lenders send information about your accounts to companies called credit bureaus, or credit reporting agencies.
- The credit bureaus compile the information into an ongoing record of how you use credit.
- In Canada, there are two main credit bureaus: TransUnion and Equifax.

#### What information is included in a credit report?

- Tell participants that you will go over the contents of a credit report in more detail later on.
- Explain that a credit report shows what credit you have applied for in the past and whether you have ever been refused credit.



### Slide 16: What's included in your credit report?



- When you opened each account
- How much you owe
- Whether you make payments on time
- Whether you miss payments
- Whether you go over your credit limit

**Show Slide 16:** What's included in your credit report? Explain that a credit report includes both positive and negative information about your credit card and loan accounts:

- When you opened each account
- How much you owe
- Whether you make payments on time
- Whether you miss payments
- Whether you go over your credit limit

It also includes some personal information, which we'll cover later in the presentation.

Point out that the credit report may also include information about your mobile phone account, as well as any chequing or savings accounts that have been closed "for cause" because of money owing or fraud. It may also include information about your mortgage, if your mortgage lender sends such information to the credit bureaus.



## Quick Break

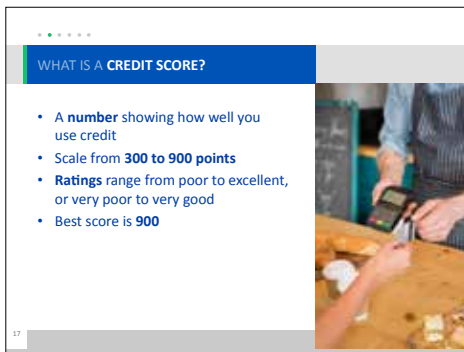
Have participants turn to a partner and complete the sentence:

A credit report is \_\_\_\_\_

[Answers could include: a record of your borrowing, a summary of your credit history, a report that shows how much you have borrows and information about your accounts and loans.]



## Slide 17: What is a credit score?



- A number showing how well you use credit
- Scale from 300 to 900 points
- Ratings from poor to excellent, or very poor to very good
- Best score is 900

### What is a credit score?

**Show Slide 17:** What is a credit score?, and go over the following information points:

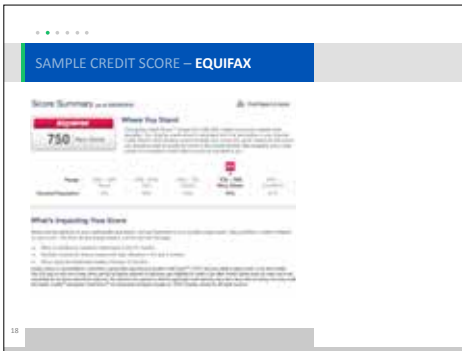
- A credit score is a number that rates how well or how poorly you use credit. It's based on the information in your credit report
- You get points for using credit responsibly—for example, by making your payments in full and on time.
- You lose points if you don't manage credit in a responsible way—for example, by making late payments or going over your credit limit.
- The credit bureaus have proprietary systems for determining credit scores.
- In Canada, credit scores range from 300 points (poor) to 900 points (excellent). The best score is 900 points.

**Show Slides 18 and 19:** Sample credit score – Equifax, and explain that these two slides show a sample credit score from Equifax.

Point out (1) the score summary; (2) the loan risk rating; and (3) the delinquency rates graph. Point out that, in this example using Equifax’s system, a credit score of 750 is considered to be Very Good.



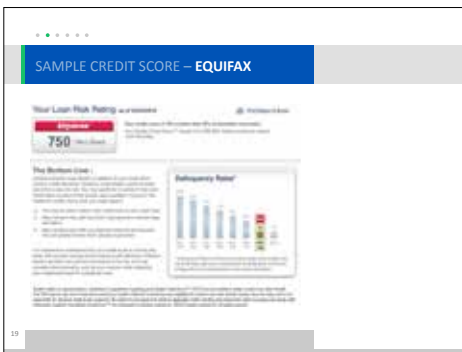
## Slide 18: Sample credit score – Equifax



[Screen shot of Equifax loan risk rating and delinquency rates graph]



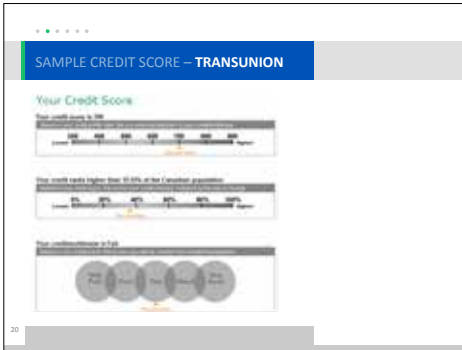
## Slide 19: Sample credit score – Equifax



[Screen shot of Equifax loan risk rating and delinquency rates graph]



## Slide 20: **Sample credit score – TransUnion**



[Screen shot of TransUnion credit score, showing score, percentage ranking and creditworthiness rating]

**Show Slide 20:** Sample credit score – TransUnion, and explain that this is a sample credit score from TransUnion, as shown in FCAC’s web content.

Point out (1) the score; (2) the percentage ranking; and (3) the creditworthiness rating. Point out that, in this example using TransUnion’s system, a score of 700 is considered to be Fair.



### Quick Break

Ask participants: True or false?

If you have a credit score of 500, banks are likely to lend you money with good terms.

[Answer: False. For both TransUnion and Equifax, 500 would be Poor.]

### Who uses your credit report?

- The credit bureaus sell credit reports to their members: banks, credit unions, other financial institutions, credit card companies, auto leasing companies and retailers.
- Mobile phone companies, insurance companies, governments, employers and landlords are also allowed to see your credit report.





### Slide 21: How are your credit report and credit score used?

HOW ARE YOUR CREDIT REPORT AND CREDIT SCORE USED?

- Determine if you are a **high or low risk** for credit
- Set the **interest rate** you will be charged
- Set your **credit limit**
- Consider you for **rental housing or a job**
- How much you **pay for insurance** (in some provinces)

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- Determine if you are a high or low risk for credit
- Set the interest rate you will be charged
- Set your credit limit
- Consider you for rental housing or a job
- How much you pay for insurance (in some provinces)

#### How are your credit report and credit score used?

**Show Slide 21:** How are your credit report and credit score used?, and go over the following information points:

- Businesses use your credit report and credit score to see how risky it would be for them to lend you money.
- Lenders may use your credit score to set your interest rate and credit limit.
- If you have a low credit score, you are considered a high risk, and you may be charged a higher interest rate on a loan or given a lower credit limit.
- If you have a high credit score, you are considered a low risk, and you may be charged a lower interest rate and/or given a higher credit limit.
- Businesses may also use your credit report to consider whether they will hire you for a job, or a landlord could use your credit report to determine whether to rent you a house or apartment.
- Employers may want to know how you manage your own money, especially if the job involves handling cash or finances.
- In some provinces, insurance companies may check your credit score to determine how much you pay for insurance. Contact your provincial insurance regulator to find out whether this applies in your province.



### Quick Break

Have participants tell a partner one thing a credit report and credit score could be used for.

[Answers could include: see if you are a high or low risk for credit, set the interest rate for a loan, set your credit limit and consider you for a job.]

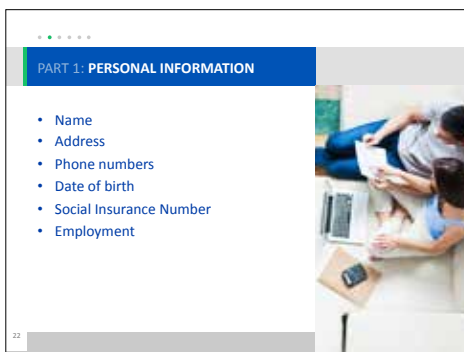
### What information is included in a credit report?

Point out that earlier slides showed the main items in a credit report. Slides 22 through 25 look at the details.

There are two main categories of information in a credit report, your personal information and your credit history.



## Slide 22: Part 1: Personal information



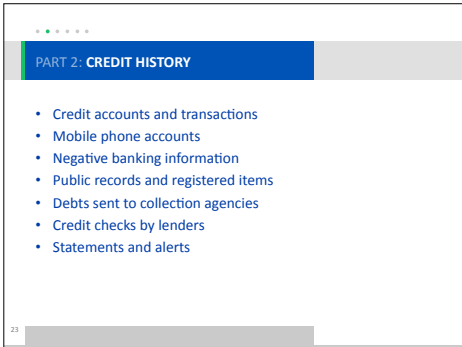
- Name
- Address
- Phone numbers
- Date of birth
- Social insurance number
- Employment

**Show Slide 22: Part 1:** Personal information, and explain that the personal information section of a credit report may contain the following information:

- Name, date of birth, address, phone numbers, social insurance number
- Current and previous employers



### Slide 23: Part 2: Credit history



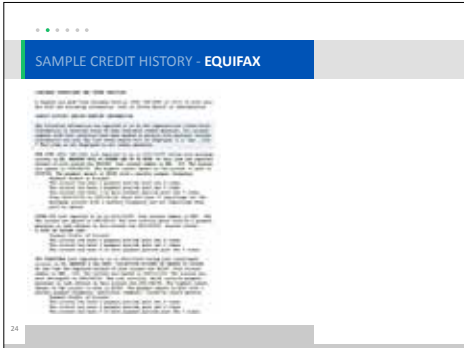
- Credit accounts and transactions
- Mobile phone accounts
- Negative banking information
- Public records and registered items
- Debts sent to collection agencies
- Credit checks sent by lenders
- Statements and alerts

**Show Slide 23: Part 2:** Credit history, and explain that the credit history section of a credit report may contain the following information:

- Credit accounts and transactions
- Mobile phone accounts
- Negative banking information closed “for cause” because of money owing or fraud, and NSF cheques
- Public records, such as bankruptcy and legal judgments, and registered items, such as a lien on a car or house
- Debts sent to collection agencies
- Credit checks by lenders
- Consumer statements, fraud alerts and identity verification alerts



## Slide 24: **Sample credit history – Equifax**



[Screen shot of a portion of the credit history section of an Equifax credit report]

**Show Slide 24:** Credit history – Equifax. Explain that this is a screen shot of part of the Credit history section of an Equifax credit report, just to familiarize participants with what it looks like. Point out that the Credit history section of the TransUnion report contains similar information.



### Quick Break

Ask participants: True or false?

A credit report contains only a record of your failure to pay bills, not a record of when you have paid on time

[Answer: False. It contains both positive and negative information.]



### Slide 25: How long does information stay on your credit report?

HOW LONG DOES INFORMATION STAY ON YOUR CREDIT REPORT?

- Varies according to type of information, province or territory and credit bureau
- **Examples:**
  - Negative information about credit cards and loans: **6 years**
  - Credit checks by lenders: Equifax – **3 years**; TransUnion – **6 years**
  - Bankruptcy: **6 or 7 years**

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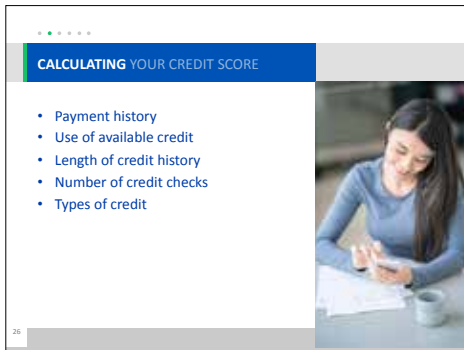
- Varies according to type of information, province or territory and credit bureau
- Examples:
  - Negative information about credit cards and loans: 6 years
  - Credit checks by lenders: Equifax – 3 years; TransUnion – 6 years
  - Bankruptcy: 6 or 7 years

**Show Slide 25:** How long does information stay on your credit report?, and go over the following information points:

- By law, negative information may be kept on your credit report for only a certain length of time.
- The exact amount of time varies by category, by province or territory, and by credit bureau.
- For example:
  - Negative information about accounts such as credit cards and loans may be kept for 6 years.
  - For credit checks by lenders, Equifax keeps this information for 3 years, while TransUnion keeps it for 6 years.
  - Bankruptcy stays on your report for 6 or 7 years, depending on the province.



## Slide 26: Calculating your credit score



- Payment history
- Use of available credit
- Length of credit history
- Number of credit checks
- Types of credit

### Calculating your credit score

**Show Slide 26:** Calculating your credit score, and explain that the main factors that the credit bureaus use to calculate your credit score are:

- Payment history
- Use of available credit
- Length of credit history
- Number of credit checks
- Types of credit

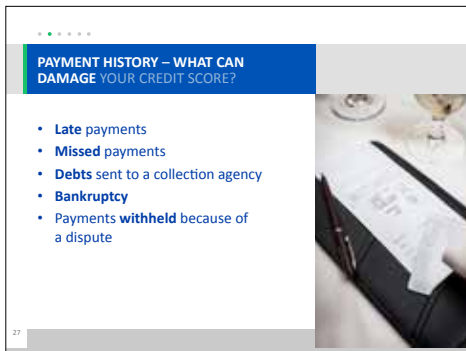


### Quick Break

Ask participants which factor they think is the most important.  
[Answer: Payment history.]



### Slide 27: **Payment history – what can damage your credit score?**



- Late payments
- Missed payments
- Debts sent to a collection agency
- Bankruptcy
- Payments withheld because of a dispute

#### **Payment history**

**Show Slide 27:** Payment history, and explain that your credit score will be damaged if you:

- Make late payments or miss payments
- Have debts, including parking tickets and other fines, sent to a collection agency. Negative banking information closed “for cause” because of money owing or fraud, and NSF cheques
- Declare bankruptcy
- Withhold payments because of a dispute and the lender reports your payments as late



### Slide 28: Tips

TIPS

- Always make payments **on time** and **in full**
- If you can't pay in full, make at least the **minimum payment**
- If you can't make the minimum payment, **contact the lender right away**
  - Ask if you can make a **special arrangement** to pay off the debt

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- Always make payments on time and in full
- If you can't pay in full, make at least the minimum payment
- If you can't make the minimum payment, contact the lender right away
  - Ask if you can make a special arrangement to pay off the debt

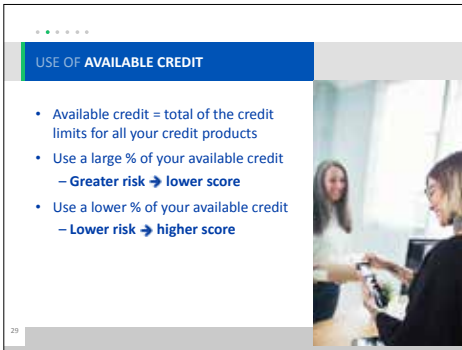
**Show Slide 28:** Tips, and explain that following these tips can improve your payment history and thus your credit score:

- Always make your payments on time and in full.
- If you can't pay the full amount, make at least the minimum payment.
- If you think you'll have trouble paying a bill, contact the lender right away. See if you can work out a special arrangement to pay off your debt.





## Slide 29: Use of available credit



- Available credit = total of the credit limits for all your credit products
- Use a large % of your available credit – greater risk → lower score
- Use a lower % of your available credit – lower risk → higher score

### Use of available credit

**Show Slide 29:** Use of available credit, and go over the following information points:

- To figure out your available credit, add up the credit limits for all your credit cards, lines of credit and other loans.
- When you use a large percentage of your available credit, lenders see you as a greater risk, even if you pay your balance in full by the due date.



## Slide 30: Tip

**TIP**

- Try to use **less than 35%** of your total available credit
- **Example:**
  - Credit card limit = **\$5,000**
  - Line of credit limit = **\$10,000**
  - Total available credit = **\$15,000**
  - 35% of \$15,000 = **\$5,250**

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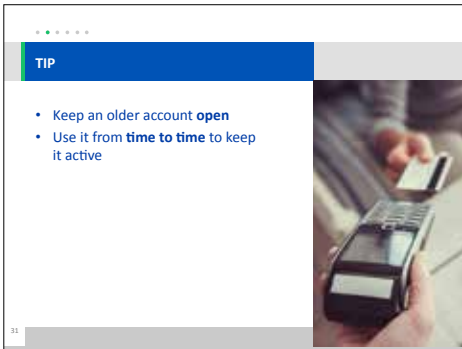
- Try to use less than 35% of your total available credit
- Example:
  - Credit card limit = \$5,000
  - Line of credit limit = \$10,000
  - Total available credit = \$15,000
  - 35% of \$15,000 = \$5,250

**Show Slide 30:** Tip, and go over the following information points:

- Try to use less than 35% of your available credit.
- Example: If you have a credit card with a limit of \$5,000 and a line of credit with a limit of \$10,000, your available credit is \$15,000. Multiply that amount by 35%. Try not to borrow more than \$5,250 at any time (35% of \$15,000).
- Don't request more credit to try to bring your credit usage below 35%. Try to stay within your current limit.



### Slide 31: Tip



- Keep an older account open
- Use it from time to time to keep it active

#### Length of credit history

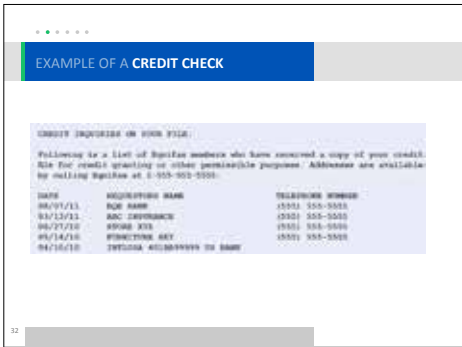
Explain that lenders want to see that you can manage credit over time.

**Show slide 31:** Tip, and go over the following information points:

- Consider keeping an older account open, even if you no longer need it.
- Use it from time to time to keep it active.
- If you hold joint bank accounts or a mortgage with your partner, confirm whose credit report the account history is being reported to. It's okay to have joint accounts, but you need to ensure you have credit in your name to show credit history.



### Slide 32: Example of a credit check



[Screen shot of credit inquiry from sample Equifax report]

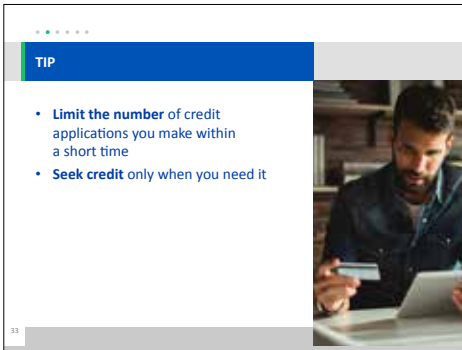
#### Number of credit checks

**Show Slide 32:** Example of a credit check. Explain what a credit check is, going over the following information points:

- When you apply for credit, the lender may do a credit check and ask a credit bureau for your credit report to see if you are a high or low risk.
- The lender looks for things like missed payments or the over-use of credit.
- This is recorded as an inquiry on your credit report.
- Credit checks, sometimes called “hits,” may be considered “hard” or “soft.” Hard hits—for example, when you apply for a credit card or a loan—are recorded on your credit report and count toward your credit score. (Point out that this slide shows hard inquiries.) Soft hits—for example, when you request your own credit report or when businesses request your credit report to update your account record—are not recorded and do not count toward your credit score.
- If there are too many hard hits on your credit report, lenders may conclude that you are desperately seeking credit or that you are trying to live beyond your means without the ability to pay back the money you want to borrow.
- This can lower your credit score.



### Slide 33: Tip



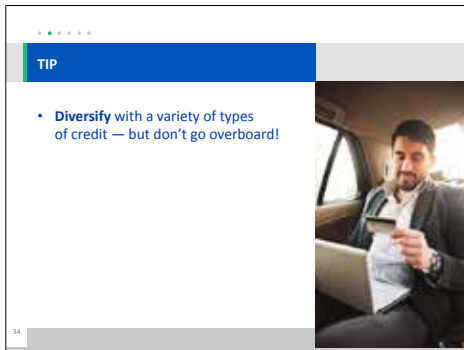
- Limit the number of credit applications you make within a short time
- Seek credit only when you need it

**Show Slide 33:** Tip, and go over the following information points:

- Limit the number of times you apply for credit in a short period of time. The lender looks for things like missed payments or the over-use of credit.
- There may be exceptions, such as when you are shopping around for a car or a mortgage. Try to do this within a two-week period. All credit checks related to auto or mortgage loans during this time are usually combined and treated as a single check.
- Seek credit only when you really need it.



### Slide 34: Tip



- Diversify with variety of types of credit — but don't go overboard!

#### Types of credit

Explain that your score may be lower if you have only one type of credit, such as a credit card. It is better to have a mix of different types of credit, such as a credit card, an auto loan and a mortgage. This shows that you can use credit responsibly.

**Show Slide 34:** Tip, and go over the following information points:

- Diversify. Use different types of credit to show that you can manage debt responsibly. Use it from time to time to keep it active.
- But don't go overboard! Make sure you can afford to pay back any money you borrow.



#### Quick Break

Ask participants to turn to a partner and name one of the tips for improving your credit score.



### Slide 35: How to improve your credit score

HOW TO IMPROVE YOUR CREDIT SCORE

- Make payments **on time and in full**
- If you can't pay in full, make at least the **minimum payment**
- If you can't make the minimum payment, **contact the lender right away**
- Try to use no more than **35%** of total available credit
- Keep an **older account open** to help maintain a long-term credit history
- **Don't over-apply**. Seek credit **only** when you really need it
- **Diversify** with a mix of credit products

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- Make payments on time and in full
- If you can't pay in full, make at least the minimum payment
- If you can't make the minimum payment, contact the lender right away
- Try to use no more than 35% of your total available credit
- Keep an older account open to maintain long-term credit history
- Don't over-apply. Seek credit only when you really need it
- Diversify with a mix of credit products

#### Summary of Tips

**Show Slide 35:** How to improve your credit score, and review the seven main tips for improving your credit score:

- Make payments on time and in full.
- If you can't pay in full, make at least the minimum payment.
- If you can't make the minimum payment, contact the lender right away.
- Try to use no more than 35% of your total available credit.
- Keep an older account open to maintain long-term credit history.
- Don't over-apply, especially within a short time. Seek credit only when you really need it.
- Diversify with a mix of credit products.

# SECTION 3: CHECKING YOUR CREDIT REPORT (10 MINUTES)



## Slide 36: Section 3 – Checking Your Credit Report





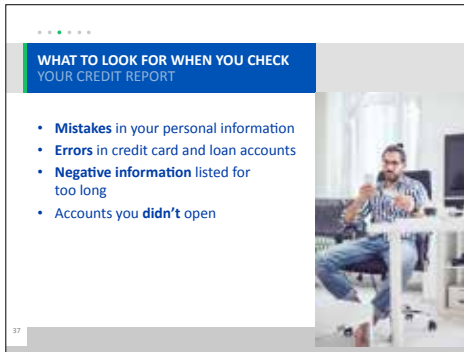
# SECTION 3: CHECKING YOUR CREDIT REPORT

(10 MINUTES)

## NOTES



### Slide 37: What to look for when you check your credit report



- Mistakes in your personal information
- Errors in credit card and loan accounts
- Negative information listed for too long
- Accounts you didn't open

#### Check your credit report

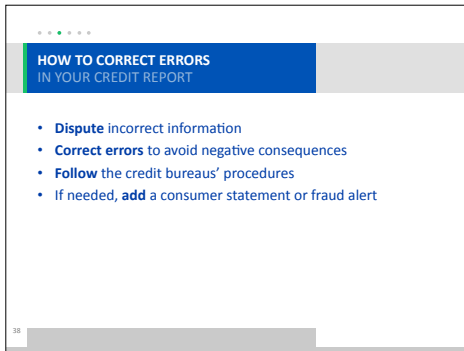
Tell participants that they should check their credit reports at least once every six months – once a year from each bureau.

**Show Slide 37:** What to look for when you check your credit report, and explain that you should look for:

- Mistakes in your personal information, such as your name spelled incorrectly, a wrong mailing address or an incorrect date of birth.
- Errors in your accounts, such as a payment you made on time that is shown as late.
- Negative information that is still listed after the maximum number of years it is allowed to stay on your report.
- Accounts listed that you did not open, which could be a sign of identity theft or an identity mistake (for example, the information listed is for someone with a similar name).



## Slide 38: How to correct errors in your credit report



- Dispute incorrect information
- Correct errors to avoid negative consequences
- Follow the credit bureaus' procedures
- If needed, add a consumer statement or fraud alert

### How to correct errors

**Show Slide 38:** How to correct errors in your credit report, and go over the following information points:

- You can't remove negative information that is correct from your credit report. It will stay there for a fixed length of time as we discussed earlier.
- You do have the right to dispute any information on your credit report that you think is wrong.
- It's important to correct errors because they could result in your being turned down for an application or receiving a lower credit score than you should have. Try to use no more than 35% of your total available credit.
- The credit bureaus have procedures and forms for disputing information and correcting errors. Contact the credit bureau if you have a concern.
- If you are still not satisfied after going through the procedure, ask the bureau to add a consumer statement. This lets you provide details about an item on your report, and it will appear on your report. Lenders who look at your credit report may consider your consumer statement when they make their decisions.

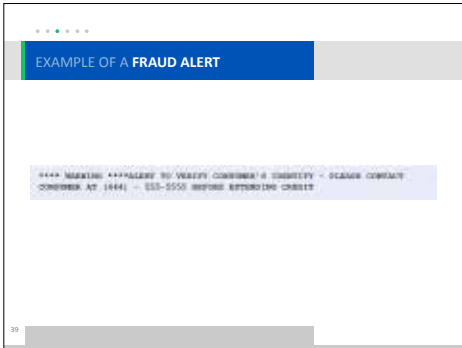
# SECTION 3: CHECKING YOUR CREDIT REPORT

(10 MINUTES)

## NOTES



### Slide 39: Example of a fraud alert



[Screen shot of fraud alert from Equifax report]

#### Look for signs of fraud

**Show Slide 39:** Example of a fraud alert, and go over the following information points:

- If you see accounts that do not belong to you, you may be the victim of identity fraud. You do have the right to dispute any information on your credit report that you think is wrong.
- Ask the credit bureau to put a fraud alert on your file.
- It tells lenders to contact you and confirm your identity before they approve any applications for credit.



#### Quick Break

Ask participants to turn to a partner and name one thing they should look for on their credit report.

[Answers could include: errors in account information, accounts that don't belong to you, incorrect personal information and negative information listed for longer than allowed.]

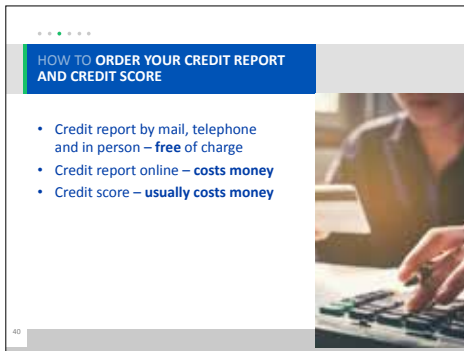
# SECTION 3: CHECKING YOUR CREDIT REPORT

(10 MINUTES)

NOTES



## Slide 40: How to order your credit report and credit score



- Credit report by mail, telephone and in person – free of charge
- Credit report online – costs money
- Credit score – usually costs money

### How to order your credit report and credit score

**Show Slide 40:** How to order your credit report and credit score, and go over the following information points:

- To get your credit report by mail for free, you can order it by mail, fax or telephone.
- To get your credit report online, you must pay a fee.
- To get your credit score, you must usually pay a fee.

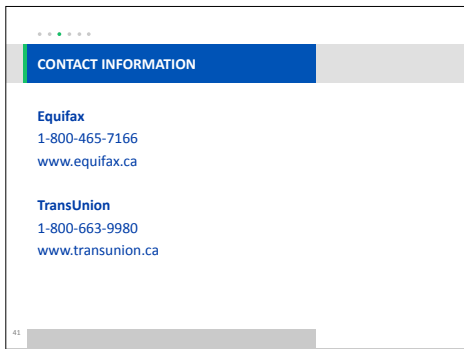
# SECTION 3: CHECKING YOUR CREDIT REPORT

(10 MINUTES)

## NOTES



### Slide 41: Contact information



Equifax  
1-800-465-7166  
[www.equifax.ca](http://www.equifax.ca)

TransUnion  
1-800-663-9980  
[www.transunion.ca](http://www.transunion.ca)

#### Contact information

**Show Slide 41:** Contact information, and explain that these are the toll-free phone numbers and website addresses for the two credit bureaus.

Point out that more detailed information is available in the Credit reports and scores section of [Canada.ca](http://Canada.ca).

If you are using the summary handout, point out that more detailed information is on the handout, which you will give participants at the end of the workshop.

# SECTION 3: CHECKING YOUR CREDIT REPORT

(10 MINUTES)

## NOTES



### Slide 42: Equifax application form

The screenshot shows the top portion of the Equifax application form. At the top, there is a blue header with the text 'EQUIFAX APPLICATION FORM'. Below this, the main heading reads 'REQUEST TO OBTAIN MY CREDIT HISTORY REPORT'. The form contains several sections with labels and input fields, including 'PERSONAL INFORMATION', 'CONTACT INFORMATION', and 'AGREEMENT'. The Equifax logo is visible at the bottom right of the form.

[Screen shot of [http://www.equifax.com/EFX\\_Canada/consumer\\_information\\_centre/docs/request\\_report\\_form\\_e.pdf](http://www.equifax.com/EFX_Canada/consumer_information_centre/docs/request_report_form_e.pdf)]

#### Application forms

Encourage participants to apply for their credit reports and scores as soon as possible and to continue to do so regularly.

#### Equifax application forms

**Show Slide 42:** Equifax application form, and explain that this is the first page of Equifax's credit report and score application, which is available on Equifax's website. This will give participants an idea of what the page looks like.

# SECTION 3: CHECKING YOUR CREDIT REPORT (10 MINUTES)

## NOTES



### Slide 43: TransUnion application form

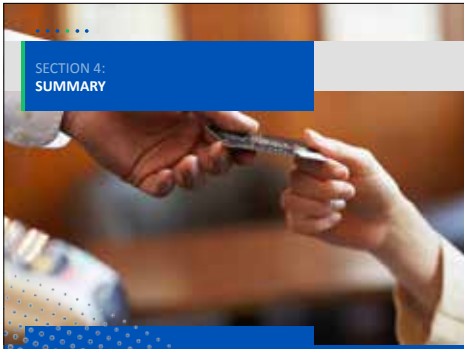
The screenshot shows a web browser window displaying the TransUnion application form. The title bar of the browser window reads "TRANSUNION APPLICATION FORM". The form itself has a blue header with the TransUnion logo and the text "TRANSUNION APPLICATION FORM". Below the header, there is a section for "PERSONAL INFORMATION" with fields for Name, Address, City, State, and Zip. There is also a section for "CONTACT INFORMATION" with fields for Phone and Email. The form is partially filled out with text.

[Screen shot of [https://www.transunion.ca/resources/transunion-ca/doc/personal/Consumer\\_Disclosure\\_Request\\_Form\\_en.pdf](https://www.transunion.ca/resources/transunion-ca/doc/personal/Consumer_Disclosure_Request_Form_en.pdf)]

**Show Slide 43:** TransUnion application form, and explain that this is the first page of TransUnion’s credit report and score application, which is available on TransUnion’s website. This will give participants an idea of what the page looks like. To get your credit report by mail for free, you can order it by mail, fax or telephone.



## Slide 44: Section 4 – Summary



### Key information points

Have participants turn to a partner and share what they think are the three most important things they learned in the workshop.

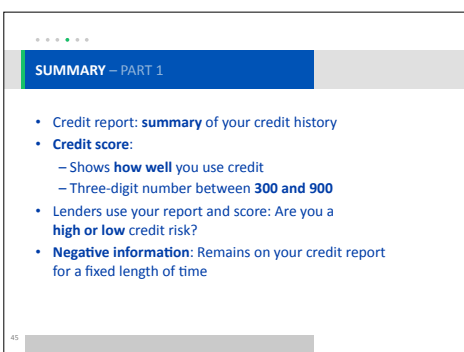
If time allows, ask the pairs to report back to the whole group on the points they identified.

**Show Slides 45, 46 and 47:** Summary, and go over the main information points from the workshop.

If you are using the summary handout, distribute it to participants.



## Slide 45: Summary – part 1



- Credit report: summary of your credit history
- Credit score
  - Shows how well you use credit
  - Three-digit number between 300 and 900
- Lenders use your report and score: Are you a high or low credit risk?
- Negative information: Remains on your credit report for a fixed length of time





## Slide 46: Summary – part 2

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**SUMMARY – PART 2**

- **To improve your credit score:**
  - Make payments **on time and in full**
  - If you can't pay in full, make at least the **minimum payment**
  - If you can't make the minimum payment, **contact the lender right away** to make other arrangements
  - Try to use no more than **35%** of your total available credit
  - Keep an older **account open** to help maintain a long-term credit history
  - **Don't over-apply** for credit
  - **Diversify** with a mix of credit types

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- To improve your credit score:
  - Make payments on time and in full
  - If you can't pay in full, make at least the minimum payment
  - If you can't make the minimum payment, contact the lender right away to make other arrangements
  - Try to use no more than 35% of your total available credit
  - Keep an older account open to help maintain a long-term credit history
  - Don't over apply for credit
  - Diversify with a mix of credit types



## Slide 47: Summary – part 3

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**SUMMARY – PART 3**

- Check your credit report at least **once a year**
  - Order your report from each credit bureau
- **Look** for errors and identify fraud
- **Credit report:**
  - Order for free by mail or telephone
  - Pay to order online
- **Credit score:** usually pay to order online

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- Check your credit report at least once a year
  - Order your report from each credit bureau
- Look for errors and identify fraud
- Credit report:
  - Order for free by mail or telephone
  - Pay to order online
- Credit score: usually pay to order online



Slide 48: **Section 5 – Q & A**





### Slide 49: Section 6 – Activity



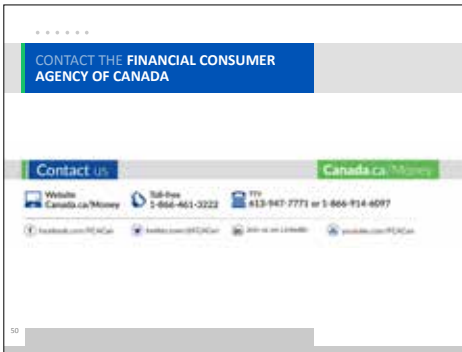
Give participants a copy of a credit report application. Have copies of applications from both credit bureaus available.

Have them start to fill in the application during the workshop; they can complete it after the presentation. (Research has shown that participants are more likely to complete an application on their own if they start it in a teaching session.)

## SECTION 7: CONTACT US



### Slide 50: Contact the Financial Consumer Agency of Canada (FCAC)



[List of FCAC contacts]

#### FCAC web content

Tell participants that they can visit the [Credit Reports and Scores](#) section of the Government of Canada website, [Canada.ca](#), for more detailed information.

**Show Slide 50:** and tell participants that they can contact FCAC for more information.

#### Evaluation

Pass out the evaluation form and ask participants to fill it out before they leave. They can do this during or after the Q & A session that follows.

# UNDERSTANDING YOUR CREDIT REPORT AND CREDIT SCORE WORKSHOP

## SUMMARY OF KEY POINTS

### NOTES

#### **Credit report and credit score**

- A credit report is a summary of your credit history.
- A credit score is a number between 300 and 900 that shows how well you use credit. The higher the number, the better.
- Lenders use your credit report and score to determine if you are a risk when they decide whether to offer you credit.
- Negative information can only stay on your credit report for a certain length of time.
- Your credit history can play a role when
  - Lenders decide how much money to lend you and at what interest rate;
  - An employer considers you for a job;
  - A landlord decides whether to rent to you.

#### **To improve your credit score**

- Make payments on time and in full.
- If you can't pay in full, make at least the minimum payment.
- If you can't make the minimum payment, contact the lender right away.
- Try to use no more than 35% of your total available credit.
- Keep an older account open to help maintain a long-term credit history.
- Don't over-apply for credit. Use credit only when you really need it.
- Diversify with a mix of credit types, such as a credit card, auto loan and a mortgage.

**Check your credit report and score**

- Check your credit report at least once a year.
- Look for errors and identify fraud.
- Correct any errors you find.
- You can apply for your credit report by mail or telephone free of charge, or online for a fee.
- You can apply for your credit score online, usually for a fee.

**For more detailed information**

Visit: [Canada.ca/Money](https://Canada.ca/Money)

**To contact the credit bureaus**

Equifax

Phone: 1-800-465-7166

[www.equifax.ca](https://www.equifax.ca)

TransUnion

Phone: 1-800-663-9980

[www.transunion.ca](https://www.transunion.ca)