

Instructions for Workshop Leader

Use these slides (in order) with the sections of your session outline.

Welcome and Overview (Slides 2-4)

Activity (Slide 5)

Present (Slides 6-15)

Discuss (Slide 16)

Review and Evaluate (Slides 17-22)

Close (Slide 23)





Borrow Well

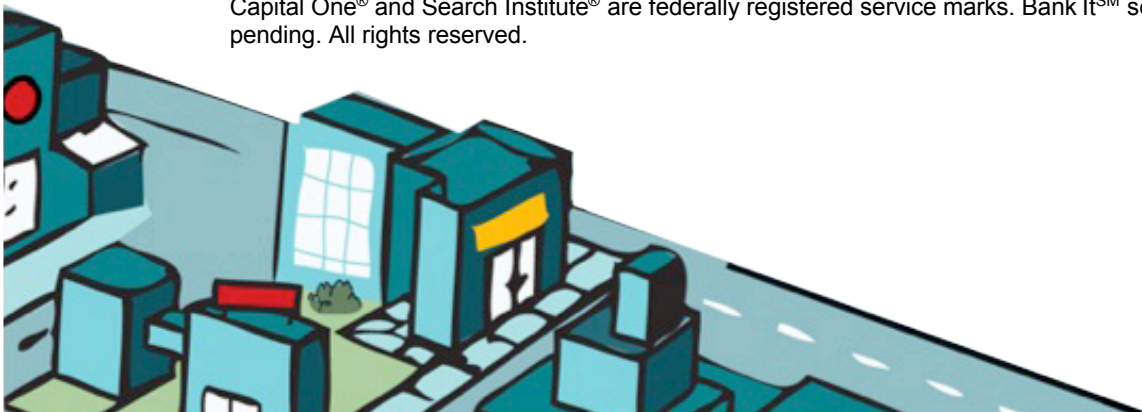
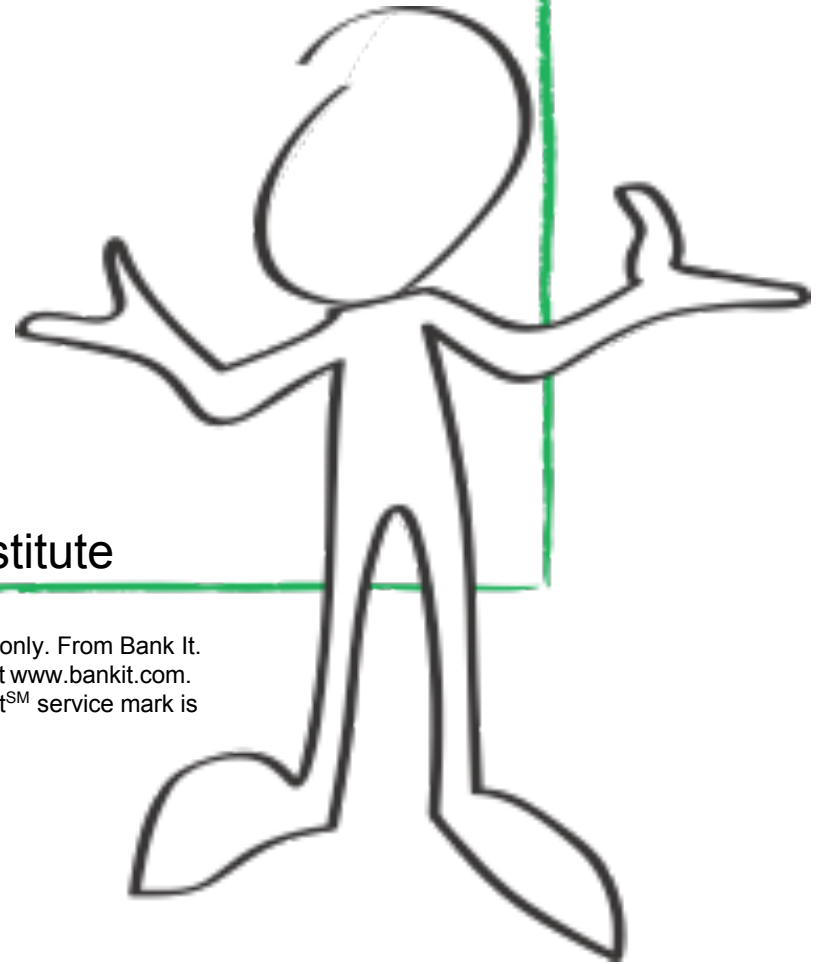
Welcome to Bank It

Credit Scores and Credit Reports

2-BO-T

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Welcome and Overview

What is Bank It?

Bank It delivers real-world topics and tools to help you:

- Understand,
- Talk about, and
- Manage your money.

From Capital One and Search Institute



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Welcome and Overview

Three goals for today:

1. Explain why it is important to establish a positive credit history.
2. Identify what a credit report is.
3. Describe an example of information included in a credit report.



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Activity

Better Grades



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Present

When you create a positive credit history:

- You can earn a higher credit score.
- Adults with higher credit scores are more likely to get more financial services, such as getting loans and credit cards, at cheaper rates over time.



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Present

A Credit History:

A record of how you use credit



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Present

Element #1 That Determines Your Credit Score:
Payment history



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Present

Element #2 That Determines Your Credit Score:
Amounts you owe



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Present

Element #3 That Determines Your Credit Score:
Length of credit



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Present

Element #4 That Determines Your Credit Score:
New credit accounts



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Present

Element #5 That Determines Your Credit Score:
Types of credit you use



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Present

Where to Find Information about Your Credit Score

Your credit report



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Present

What is a credit report?

A record of your credit history



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Present

How Long Does Information Stay on Your Credit Report?

- Seven years or more for general information
- Ten years or more if you've had a bankruptcy



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Discuss

Turn to talk to someone near you.

1. Say your first name.
2. Talk about what you know about your family's credit use. Credit cards? Loans?



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Review and Evaluate

What is a credit score?

Your score for how well you use credit, like a grade point average at school.



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Review and Evaluate

Why is it important to establish a positive credit history?

When you use credit well and responsibly:

- You can earn a higher credit score.
- Adults with higher credit scores are more likely to get more financial services, such as loans and credit cards, at cheaper rates over time.



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Review and Evaluate

Five elements that make up a credit score:

1. Payment history
2. Amounts owed
3. Length of credit
4. New credit accounts
5. Types of credit in use



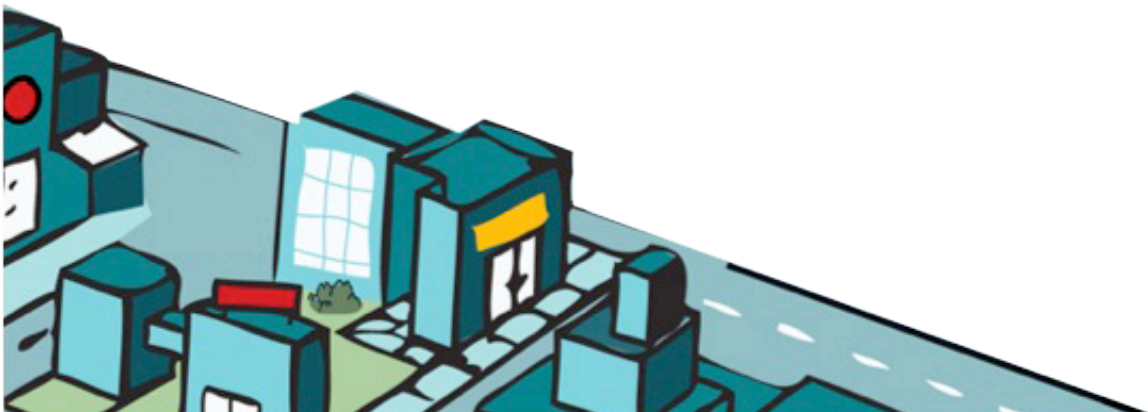
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Review and Evaluate

What is a credit report?

A summary or record of your credit history



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Review and Evaluate

What are examples of what is included on a credit report?

- Personal information (name, address, social security number)
- Information about each one of your credit accounts
 - Loans
 - Credit cards
 - Mortgages (a loan to buy a house)



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Review and Evaluate

How long does information typically stay on a credit report?

- Seven years or more for general credit information
- Ten years or more for bankruptcies



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Close

A credit score is like your grade point average at school.

A credit report is like your report card from school.



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