

# Instructor Guide

FDIC



## FDIC Financial Education Curriculum



# Table of Contents

Getting Started .....	3
Module 7: To Your Credit Layering Table .....	4
Icons Guide .....	5
Module Overview .....	6
Checking In.....	7
Pre-Test.....	9
Overview of Credit.....	11
What Is a Credit Report? .....	13
How the Credit Report Is Used.....	16
Getting a Copy of Your Credit Report .....	21
How to Read Your Credit Report .....	25
Building and Repairing Your Credit History.....	34
Wrap-Up .....	40
Post-Test.....	41
What Do You Know? – To Your Credit .....	43
Evaluation Form .....	44
Glossary .....	46
For Further Information.....	47

## Getting Started



Use this guide to help you teach this module in an informative, engaging, and effective manner.

You can customize the information in Money Smart to meet the needs of your audience. The layering table on page 4 can help you choose the most relevant module sections. However, it is usually a good idea to include:

- **Introductions.** Allows you to “break the ice,” create active instructor-participant dialogue, and set the tone for the session.
- **Agenda and Ground Rules.** Helps participants understand the subject matter and how the class will be conducted.
- **Expectations.** Gives participants the opportunity to tell you what they expect and want to learn from the module.
- **Objectives.** Helps participants place the information to be learned in the proper context and ensures that the content is consistent with their expectations.
- **Explanation of Participant’s Guide Format and Contents.** Serves to keep participants on track with the instructor.
- **What Do You Know? Form and/or Pre-Test.** Helps you and participants determine what they already know or do not know so you can customize the presentation accordingly.
- **Module Content and Activities.** Helps participants to reinforce learning.
- **What Do You Know? Form and/or Post-Test.** Helps you and participants gauge how well they learned the content, what content to review, if any, and what additional materials participants may want to review on their own.

## Module 7: To Your Credit Layering Table

Please read the Layering Table Instructions in the <a href="#">Guide to Presenting Money Smart for Adults</a> .				
Pages	Time (Min.)	Topic	Subtopic & Activities	Target Audiences
7-8	5	Checking In	<ul style="list-style-type: none"> <li>Introduction of instructor and the materials</li> </ul>	<ul style="list-style-type: none"> <li>Everyone</li> </ul>
9-10, 43	5	Pre-Test and/or What Do You Know?		<ul style="list-style-type: none"> <li>Everyone</li> </ul>
11-12	10	Overview of Credit	<ul style="list-style-type: none"> <li>Credit defined, importance of credit</li> <li>Credit Case: Marvin's Desks</li> </ul>	<ul style="list-style-type: none"> <li>Everyone</li> </ul>
13-15	10	What Is a Credit Report?	<ul style="list-style-type: none"> <li>Credit reports, credit reporting agencies, information contained in a credit report, information not contained in a credit report</li> </ul>	<ul style="list-style-type: none"> <li>Those who are not familiar with credit reports</li> <li>Those considering serious credit changes like bankruptcy, credit counseling, or debt restructuring</li> </ul>
16-20	20	How the Credit Report Is Used	<ul style="list-style-type: none"> <li>Credit report uses, loan application denial, credit scores, credit score inquiries, factors influencing lenders, opting out</li> <li>Activity 1: Who Poses the Most Credit Risk?</li> </ul>	<ul style="list-style-type: none"> <li>Those who intend to obtain or have already obtained a credit report</li> <li>Anyone who is interested in applying for a loan</li> </ul>
21-24	15	Getting a Copy of Your Credit Report	<ul style="list-style-type: none"> <li>Free annual credit report and request form</li> <li>Activity 2: Maria's Credit Report</li> </ul>	<ul style="list-style-type: none"> <li>Those who intend to obtain or have already obtained a credit report</li> <li>Anyone who is interested in applying for a loan</li> </ul>
25-33	20	How to Read Your Credit Report	<ul style="list-style-type: none"> <li>Sample credit report, how to read a credit report, checking for and fixing errors, identity theft</li> <li>Activity 3: John Q. Consumer</li> <li>Sample Dispute Letter</li> </ul>	<ul style="list-style-type: none"> <li>Those who intend to obtain or have already obtained a credit report</li> <li>Those interested in repairing their credit</li> </ul>
34-39	20	Building and Repairing Your Credit History	<ul style="list-style-type: none"> <li>Building your credit history, repairing your credit, credit repair scams, maintaining your credit when payments are a problem</li> </ul>	<ul style="list-style-type: none"> <li>Those interested in building or repairing their credit</li> <li>Those having difficulties making their loan payments</li> </ul>
40	5	Wrap-Up		<ul style="list-style-type: none"> <li>Everyone</li> </ul>
41-43	5	Post-Test and/or What Do You Know?		<ul style="list-style-type: none"> <li>Everyone</li> </ul>
44-45	5	Evaluation		<ul style="list-style-type: none"> <li>Everyone</li> </ul>

## Icons Guide

The following icons may be used throughout the Instructor Guide to indicate activity type.



### Presentation

Present information or demonstrate an idea.



### Review

Refer participants to and summarize material provided in the Participant Guide.



### Activity

Guide participants through an activity to support their learning.



### Assessment

Direct participants to take a short test.



### Discussion

Facilitate a discussion about a topic as directed.



### Ask a Question

Present a problem or question for discussion.

# Module Overview

## Purpose

The *To Your Credit* module teaches participants how to read a credit report, and how to build and/or repair their credit history.

## Objectives

After completing this module, the participants will be able to:

- Define credit
- Explain why credit is important
- Describe the purpose of a credit report and how it is used
- Order a copy of their credit report
- Read and analyze their credit report to determine if they are ready to apply for credit
- Differentiate between good and bad credit
- Describe the implications of good and bad credit scores
- Identify ways to build and repair their credit history
- Recognize how to correct errors on their credit report
- Recognize how to guard against identity theft

## Presentation Time

Each topic has an approximate completion time listed in the *To Your Credit* Layering Table. Use the suggested times to personalize the module based on your participants' needs and the given time period. Allow extra time for activities and questions when teaching a larger group.

Completing the entire presentation may take two hours or more. The class can be divided into two sessions taught on different days if this is more convenient for participants.

## Materials and Equipment

The materials and equipment needed to present all of the *FDIC Money Smart: A Financial Education Curriculum* modules are listed in the *Guide to Presenting the Money Smart Program*. Review the guide thoroughly before presenting this module.

## Module Activities

- Activity 1: Who Poses the Most Credit Risk?
- Activity 2: Maria's Credit Report
- Activity 3: John Q. Consumer

## Instructor Notes

## Presentation

## 5 minutes



Slide 2

*Record participants' expectations, questions, and concerns on chart paper. If there is anything you will not teach, tell participants where the information can be obtained (e.g., another module, a website). Check off their responses at the end of the training to show that the lesson content met their expectations.*



## Checking In

## Welcome

Welcome to *To Your Credit*! You are taking an important step toward understanding the value of credit and having a good credit history by taking this module. This training will help you understand your credit report and assist you in building a positive credit history.

## Agenda and Ground Rules

We will discuss concepts, do group and individual activities, and have time for your questions. There will be at least one 10-minute break during the class.

If you have experience or knowledge in some aspect of the material, please share your ideas with the class. One of the best ways to learn is from each other. You might be aware of some method that has worked well for you or some pitfall to avoid. Your contribution to the class will make the learning experience that much better. If something is not clear, please ask questions!

## Introductions

Before we get started, I will share a little about myself and I would like to know a little bit about you.

*[Introduce yourself and share a little of your background and experience.]*

As you introduce yourself, state:

- Your expectations
- Questions and/or concerns about the training content

## Objectives

After completing this module, you will be able to:

- Define credit
- Explain why credit is important
- Describe the purpose of a credit report and how it is used
- Order a copy of your credit report
- Read and analyze your credit report to determine if you are ready to apply for credit
- Differentiate between good and bad credit

## Instructor Notes



**Objectives**

- Describe the implications of good and bad credit scores
- Identify ways to build and repair your credit history
- Recognize how to correct errors on your credit report
- Recognize how to guard against identity theft

FDIC Financial Education Curriculum

To Your Credit

Slides 3-4



Review Participant Guide contents and organization with participants.



**What Do You Know?**

What do you know or want to learn about credit reports?

FDIC Financial Education Curriculum

To Your Credit

Slide 5

Use the *What Do You Know?* form and/or the *Pre-Test* to gauge participants' prior knowledge of the content and customize your presentation, focusing on content with which they are least familiar.

## Presentation

- Describe the implications of good and bad credit scores
- Identify ways to build and repair your credit history
- Recognize how to correct errors on your credit report
- Recognize how to guard against identity theft

## Participant Materials

Each of you has a copy of the *To Your Credit* Participant Guide. It contains:

- Information and activities to help you learn the material
- Tools and instructions to complete the activities
- Checklists and tip sheets
- A glossary of the terms used in this module

What questions do you have about the module overview?

## What Do You Know?

Before we begin, we will see what you know about credit.

*[If using the What Do You Know? form]*

The *What Do You Know?* form on page 28 of your Participant Guide lets you measure how much you know before the training and how much you learned after the training. Please take a few minutes now to complete the “Before the Training” column.

Which statements did you answer with “disagree” or “strongly disagree”?

*[Note: If time is limited, make sure you cover these content areas.]*

We will complete the second column when we finish the training.

*[If using the Pre-Test]*

Take a few minutes to complete the *Pre-Test* on pages 4 and 5 of your Participant Guide.

Which questions were you unable or unsure of how to answer? *[Note: If time is limited, make sure you cover these content areas.]* As we progress through the module and cover the related material, you will be able to determine whether you answered each question correctly.

## Pre-Test

Test your knowledge about credit before you go through the course.

1. What is *credit*?
  - a. Free money
  - b. Money you borrow**
  - c. The amount of money in your checking account
  - d. Cash you save for an emergency
2. Which of the following describes why credit is important? Select all that apply.
  - a. So you will have funds in case of an emergency**
  - b. So you can shop without carrying large amounts of cash**
  - c. So you can pay for a large purchase over time**
  - d. How you manage it may affect your ability to obtain a job, housing, and car insurance**
3. Which online source is the only one authorized by the Federal Trade Commission (FTC) to provide you with a free copy of your credit report?
  - a. [www.annualcreditreport.com](http://www.annualcreditreport.com)**
  - b. [www.freecreditreport.com](http://www.freecreditreport.com)
  - c. [www.creditreport.com](http://www.creditreport.com)
  - d. [www.creditcentral.com](http://www.creditcentral.com)
4. Which of the following is NOT included on the Public Information Record section on your credit report?
  - a. Tax liens
  - b. Bankruptcy
  - c. Loan repayment history**
  - d. Foreclosures
5. Which of the following *does* show on your credit report?
  - a. Income
  - b. Race
  - c. Checking account balance
  - d. Current and previous employers**
6. Which of the following describe the purpose of a credit report and how is it used?
  - a. It is a record of how you have paid your debts
  - b. It may help you get a job, housing, or insurance
  - c. It may affect the amount you pay for a security deposit on housing or utilities
  - d. It may help you get a loan
  - e. All of the above**

7. Who should you contact if you find an error on your credit report?
  - a. **The credit reporting agency and perhaps also the company that reported the error**
  - b. The credit card issuing company
  - c. Your bank
  - d. All of your creditors
  
8. Which of the following are ways to prevent identity theft?
  - a. Protect your numbers (Social Security Number (SSN), credit card, etc.)
  - b. Protect your mail
  - c. Keep your financial trash “clean”
  - d. **All of the above**
  
9. Which is NOT a way to build a credit history?
  - a. Obtain a small loan or get a cosigner for a loan
  - b. Get credit at a local store
  - c. **Borrow the credit card of someone with good credit**
  - d. Pay bills on time
  
10. If you need assistance in repairing your credit history, whom should you contact?
  - a. The Federal Deposit Insurance Corporation (FDIC)
  - b. **A reputable consumer credit counseling agency**
  - c. Your bank
  - d. A payday loan service
  
11. Which of these is true about repairing your credit history?
  - a. You can remove accurate information if it is bad
  - b. You can create a new identity and start over
  - c. You will not have to pay any more of your bills
  - d. **It can take years to repair your credit history**

## Instructor Notes

## Presentation

## 10 minutes



Have participants respond to the first question by a show of hands. Allow several participants to share their experiences.

**What Is Credit?**

- Which response would a financial professional use to define **credit**?
  1. Money given to you that you do not have to pay back
  2. Money you borrow to pay for things but must also pay back
  3. Recognition for a job well-done
  4. That long scrolling text at the end of a movie

FDC Financial Education Curriculum

To Your Credit

## Slide 6

Ask participants to select an answer. Then click the space bar, right arrow, or mouse to reveal the correct answer.

**Credit Defined**

- **Credit is:**
  - The ability to borrow money
  - Sometimes called a loan
  - A promise you make to pay back money you borrowed with interest

FDC Financial Education Curriculum

To Your Credit

## Slide 7

Explain what credit means and the importance of having good credit.

## Overview of Credit

## Credit Defined

How many of you have ever borrowed money from a bank, credit union, or thrift? What was the experience like?

Based on what you know about credit, which response would a financial professional use to define *credit*?

1. Money given to you that you do not have to pay back
2. **Money you borrow to pay for things but must also pay back**
3. Recognition for a job well done
4. That long scrolling text at the end of a movie

*Credit* is the ability to borrow money.

- When you borrow money on credit, you get a *loan*.
- You make a promise to pay back the money you borrowed plus *interest*, which is an extra amount of money a financial institution charges for letting you use its money.
- Credit can be useful to you unless you are not careful in the way you use credit.

The type of credit we will talk about in this course is *personal* or *consumer credit*.

- Credit for business or commercial purposes will not be covered in this course, but this class is a good start because how you manage your personal credit may impact whether you can get a business loan.

You have probably heard the term good credit.

- Having good credit means that you make your loan payments on time to repay the money you owe. If you have a good credit record, it will be easier to borrow money in the future.
- If you have problems using credit responsibly, it will be harder to borrow money in the future.

## Instructor Notes

## Presentation

**Importance of Credit**

- **Why do you think credit is important?**
  - It is useful in times of emergencies
  - It is convenient when you do not have cash
  - It allows you to pay for large purchases over time
  - It can help you obtain employment, housing, and insurance

 TDC Financial Education Curriculum

To Your Credit

Slide 8

Write participants' responses on chart paper. Click the space bar, right arrow, or mouse to reveal the answer.

## Why is Credit Important?

Why do you think credit is important?

Credit is important for a number of reasons:

- It can be useful in times of emergencies.
- It is sometimes more convenient than carrying large amounts of cash.
- It allows you to make a large purchase (e.g., a car or house) and pay for it over time.
- Prospective employers, landlords, and insurance companies may look at how well you manage credit.

Credit is a loan often secured by *collateral* or a *guarantee*. What do you think *collateral*, or a *guarantee*, is?

Lenders take a risk to lend you money. Therefore, they want to be sure that their money is secure.

- Collateral is security, or an asset that you provide the lender.
- Giving the lender collateral means that you pledge an asset you own (e.g., your home) to the lender with the agreement that it will be the repayment source in case you cannot repay the loan.
- In other words, if you do not repay the loan, the credit card company is entitled to get the collateral.

## Credit Case: Marvin's Desks

**Credit Case: Marvin's Desks**

- Marvin makes and sells writing desks. He wants to borrow \$1,000 for a new band saw and an electric sander. He obtains a loan from the bank, and pledges his new equipment as collateral.
- If Marvin does not (or cannot) pay back the loan, what will the lender probably do?

  TDC Financial Education Curriculum

To Your Credit

Slide 9

Refer participants to page 6 of their Participant Guide. Have participants discuss possible options (as a class or in small groups). Then share the answer so they can check their thinking.

Marvin makes writing desks and sells them for extra money. He wants to borrow \$1,000 for a new band saw and an electric sander. He obtains a loan from the bank and pledges his new equipment as collateral.

If Marvin does not (or cannot) pay back the loan, what will the lender probably do?

**Answer: The equipment is collateral for the loan. The bank will first try to get Marvin to pay. If he cannot or does not, they will probably repossess his equipment and resell it to pay for the loan. Marvin should also be careful to pay his loan back, and on time—late payments will affect his credit history and lenders may not want to loan him money in the future.**

## Instructor Notes

## Presentation

## 10 minutes

**What Is a Credit Report?**

- **It tells lenders:**
  - Who you are
  - How much debt you have
  - Whether you have made payments on time
  - Whether there is negative information about you in public records

FDIC Financial Education Curriculum  
To Your Credit

Slide 10

**Credit Reporting Agencies**

- Equifax
- Experian
- TransUnion

FDIC Financial Education Curriculum  
To Your Credit

Slide 11

Identify the three major credit reporting agencies and explain how credit reporting agencies obtain information for credit reports.

**Credit Report Information**

- Identifying information
- Credit history
- Inquiries
- Public record information

FDIC Financial Education Curriculum  
To Your Credit

Slide 12

## What Is a Credit Report?

### Credit Report

A *credit report* is a record of how you have paid your debts. It tells lenders:

- Who you are
- How much debt you have
- Whether you have made payments on time
- Whether there is negative information about you in public records

We will take a detailed look at a credit report in a minute.

First, we will look at the agencies that maintain your credit report.

### Credit Reporting Agencies

There are three major credit reporting agencies:

- **Equifax**
- **Experian**
- **TransUnion**

These agencies:

- Receive information from creditors, usually monthly, about whether you are making loan and credit card payments on time
- Collect information about bankruptcy filings, court-ordered judgments, tax liens, and other public record information from courthouse records

We will learn how you can order a copy of your credit report a little later.

### Information Contained in a Credit Report

The reports from each of the credit agencies look different, but generally contain the same basic information.

1. Your identifying information, including:
  - Name
  - Social Security Number (SSN)
  - Current and previous addresses
  - Telephone number
  - Birth date
  - Current and previous employers

## Instructor Notes

## Presentation

- Spouse's name, if married
- 2. A report containing your credit history. That includes your account record with different creditors. It will show how much credit has been extended and how you have repaid it. Remember, how you manage even relatively small bills can significantly impact your credit report.
- 3. A list of inquiries. These are the creditors and other authorized parties who have requested and received your credit report.
- 4. A report containing information about you in public records, including: collection accounts, bankruptcies, foreclosures, tax liens, civil judgments, delinquent student loan payments, and late child support payments. Collection accounts include bills (e.g., medical or utility bills) that are referred to a collection agency or attorney, even if you are not sued.

### Public Record Information

Unpaid bills that are not resolved may turn into public records, including:

- **A judgment:** a court ordered lien for debt owed to a creditor. A judgment remains on your credit report for 7 years from the date it was filed. For example, if you owe money to a creditor, the creditor may try to recover the debt by garnishing your wages, seizing money from your bank account, or placing a judgment lien against property you own.
- **A tax lien:** a claim against property or assets, filed by the taxing authority for unpaid taxes. For example, if you do not pay your taxes, the taxing authority can make a claim against your home. A paid tax lien generally stays on your credit report for 7 years, but an unpaid tax lien may stay on until it is paid.
- **A collection account:** A past-due account that has been referred to a specialist to collect part or all of the debt (e.g., if you do not pay your bills, after a period of time, the creditor may ask a collection agency to collect the amount you owe).
- **Bankruptcy:** A legal proceeding that can release a person from repaying debts.



Slide 13

*Explain the information found in public records and how long it remains.*

## Instructor Notes

## Presentation

**Personal Bankruptcy**

- **Chapter 13**
  - Debtor keeps all of his or her property and makes regular payments on the debts
- **Chapter 7**
  - Debtor must give up certain property to the creditor



To Your Credit

Slide 14

Explain the difference between Chapter 13 and Chapter 7 bankruptcy.

**Impact of Bankruptcy**

- **It should be your last resort!**
- **Bankruptcy:**
  - Remains on your credit report for 7-10 years
  - Makes it hard for you to get future credit




To Your Credit

Slide 15

**Credit Reports Do Not Contain What Information?**

- Checking and savings account balances
- Income
- Medical history
- Purchases made with cash or check
- Business account information
- Race, gender, religion, or national origin
- Driving record



To Your Credit

Slide 16

Write participants' responses on chart paper. Then click the space bar, right arrow, or mouse to reveal the answers. Answer any questions. Then introduce the next topic. Note: Now may be a good time to take a short break.

## Personal Bankruptcy

The two most relevant types of bankruptcies are:

- Chapter 13 bankruptcy
- Chapter 7 bankruptcy

You need to have a regular income to qualify for Chapter 13 bankruptcy. You can keep all of your property, but you must make regular payments on the debts, even after filing for bankruptcy.

Income restrictions apply when filing for *Chapter 7 bankruptcy*. You must give up certain property to the creditor. Yet, you may be allowed to keep certain property that the law agrees is needed to support yourself and your dependents.

It is important to understand that bankruptcy has a very negative impact on your credit. **It should be your last resort!**

- Depending on the type of bankruptcy, it will remain on your credit report from 7 to 10 years.
- Having a bankruptcy on your credit report will make it hard to get future credit.
- The law now requires that you receive credit counseling before filing for bankruptcy.

## Information Not Included in Credit Reports

Can you think of some items a credit report would not include?

**Answer:**

**Credit reports do not contain:**

- **Checking and savings account balances**
- **Income**
- **Medical history**
- **Purchases made with cash or check**
- **Business account information**
- **Race, gender, religion, or national origin**
- **Driving record**

What questions do you have about credit reports and the information they contain?

Next, we will talk about how and why a lender looks at your credit report.

## Instructor Notes

## Presentation

20 minutes



Slide 17



Slide 18

*Describe the reasons that lenders may refuse to make a loan.*

## How the Credit Report Is Used

### Credit Report Uses

Information in your credit report may determine whether you will:

- Get a loan or other form of credit
- Get a job
- Be able to rent an apartment and/or affect the amount of your security deposit
- Get insurance

Keep in mind, credit reporting agencies do not make credit decisions. Credit reporting agencies simply report the information provided by creditors. This information can affect whether you get your next loan.

### Reasons a Loan Application May Be Denied

Creditors might deny a loan application if you have no credit history because it is unknown whether you will make the loan payments.

- However, some lenders may let you prove that you would be a good credit risk without a credit history.
- For example, they might ask for proof that you pay your rent, utility, and phone bills on time or that you make regular deposits to a savings account.

Creditors might also deny a loan application if you have had credit problems in the past.

- Credit problems indicate you might not repay the loan.
- Lenders may also not want to risk lending you money if there is negative information about you, including bankruptcies or tax liens in public records.

A good credit record indicates you will most likely repay the loan, and lenders will be more willing to give you a loan.

## Instructor Notes

## Presentation

**Credit Score**

- A number that helps lenders determine your credit risk
- **Two types:**
  - The Fair Isaac Corporation (FICO) Score
  - VantageScore

FICO Financial Education Curriculum

To Your Credit

*Slide 19*

*Explain what a credit score is and how it is used. Keep this slide up when describing the two types of credit scores.*

## Credit Score

Your credit score is based on the information in your credit report.

- Your *credit score*—sometimes referred to as a credit rating or Fair Isaac Corporation (FICO) Score—is a number that helps lenders determine how much of a credit risk you may be.
- It has become increasingly common for lenders to make decisions largely based on credit scores.

It is important to learn how the score is calculated so you can improve your score if necessary to obtain credit.

- Your payment history is the largest percentage of your credit score. That is why it is important to pay your bills on time.
- If you do not have a history of late payments, your score may be lowered if your credit card balance is close to the limit or if you have just begun to use credit.

## Two Credit Scores

If buying a car or home, for example, it is a good idea to check your score before you apply for credit. Remember that credit scores are not generally free and they may differ from the score a prospective lender generates.

Creditors may use one or more credit scores. They may generate the scores themselves, or they may use a score calculated by another firm. Two of the scores used by creditors and lenders are:

- FICO Score
- VantageScore

## FICO Score

Your FICO score is the primary method lenders use to assess how deserving you are of their credit.

- A FICO score is calculated using a computer model that compares the information in your credit report to what is on the credit reports of thousands of other customers.
- FICO scores range from about 300 to 850.

The FICO model takes into account several factors when evaluating creditworthiness:

- Past payment history: 35 percent
- Outstanding debt: 30 percent

**FICO Score**

- **Primary method used to assess credit**
  - Score range: 300 to 850
- **The score is based on:**
  - Past payment history: 35%
  - Outstanding debt: 30%
  - How long you have had credit: 15%
  - New applications for credit: 10%
  - Types of credit: 10%

FICO Financial Education Curriculum

To Your Credit

*Slide 20*

## Instructor Notes

## Presentation

- How long you have had credit: 15 percent
- New applications for credit: 10 percent
- Types of credit: 10 percent

Federal law prohibits personal information (e.g., ethnicity, religion, gender, or marital status) from being reflected in your FICO score.

## VantageScore

VantageScore is a newer credit scoring system offered by all three credit reporting agencies. You should have a similar VantageScore from each of the three agencies.

- The VantageScore ranges from 501 to 990.
- It groups scores into letter categories covering an approximately 100-point range, just like grades you receive on a report card.
- For example, your credit grade would be A if you had 901 points or more.

**VantageScore**

- **Newer credit scoring system**
  - Score range: 501 to 990
- **Also groups scores by letter categories**
  - A = 901-990
  - B = 801-900
  - C = 701-800
  - D = 601-700
  - F = 501-600

FDC Financial Education Curriculum  
To Your Credit

Slide 21

## Effects of Good and Bad Credit Scores

It is very difficult to say what is a good or a bad score since lenders have different standards for how much risk they will accept.

- A credit score that one lender considers satisfactory may be regarded as unsatisfactory by other lenders.
- One thing is certain for virtually all lenders: when it comes to obtaining a loan or a credit card, the better your credit score is the more likely you are to get a lower interest rate and pay less for borrowing money.
- Scores fluctuate depending on credit activity. Since credit reporting agencies only calculate your score at the lender's request, it will be based on the information in your file at that particular credit reporting agency, at that particular time.
- Different scores from different credit reporting agencies can be a result of them having different information. To ensure accuracy of your information, you should obtain a copy of your credit report from each credit reporting agency.

**Good and Bad Credit Scores**

- **The higher your credit score, the more likely you are to:**
  - Get a better interest rate
  - Pay less for borrowing money
- **Review your credit report regularly to ensure accuracy of your information.**

FDC Financial Education Curriculum  
To Your Credit

Slide 22

*Explain the importance of a good credit score.*



*Answer any questions. Then introduce the next topic.*

What questions do you have about the FICO score or VantageScore?

## Instructor Notes

## Presentation



Slide 23

Explain what inquiries are and how they can affect your credit score.

## Inquiries May or May Not Affect Your Credit Score

When you apply for credit, you authorize the lender to ask for a copy of your credit report.

The inquiries section of your credit report contains a list of everyone who accessed your credit report within the last two years, including:

- Voluntary inquiries, spurred by your own requests for credit
- Inquiries from lenders and other companies you authorized to order your credit report

Inquiries as a result of a request you make for your own credit report will not influence your credit score. But, inquiries from lenders and potential creditors can be a factor in your credit score.

- For instance, your credit score may drop if you apply for a new credit card. If it does, it probably will not drop much.
- If you apply for several credit cards within a short period of time, multiple inquiries will appear on your report.
- Numerous inquiries on your credit report may suggest that you could be having financial troubles or are becoming too deep in debt.

Shopping for a mortgage or an auto loan may cause multiple lenders to request your credit report, even though you are only looking for one loan.

- To compensate for this, the score ignores all mortgage and auto inquiries made in the 30 days prior to scoring.
- After 30 days, multiple inquiries relating to a mortgage or auto loan application in a typical shopping period are treated as one inquiry.
- That means that your credit score is not harmed by shopping around for the best car or home loan.

## Other Factors Influencing Lenders

Lenders might base their decision to loan you money on other factors besides your credit report and credit score.

Can you think of some other factors that might influence a lender's decision to give you a loan?

**Answer: Income, length of residence, and/or employment.**

These are just a few of the factors that can affect whether or not you get approved for a loan.



Slide 24 - Click the space bar, right arrow, or mouse to reveal the answers.

## Instructor Notes

## Presentation

## Activity 1: Who Poses the Most Credit Risk?

**Activity 1: Who Poses the Most Credit Risk?**  
Complete Activity 1 in the Participant Guide.

1. Read each scenario.
2. Determine if each person is a credit risk or not.
3. Be prepared to explain your answers.

TEC Financial Education Curriculum  
To Your Credit

Slide 25

Refer participants to Activity 1: Who Poses the Most Credit Risk? on page 10 of their Participant Guide. Complete this activity as a class or have participants work in small groups or individually. Provide the answers so participants can check their thinking.

Let us look at four people who are applying for loans.

- Bob has never applied for a loan and has no credit history. He works and saves his cash, but has never opened a savings account.
- Eda has been late making her car payments and recently stopped paying them all together. She also has a tax lien on her house.
- Jelani took out a car loan last year. He has been making the payments on time and has a good credit history.
- Miranda's son, who is 19 and working, would like to get a credit card and promises to pay the bill on time. Miranda agrees to cosign for her son. Several months later, she finds out he has been making late payments.

Determine if each person is a credit risk or not, and explain why.

**Answers:**

- **Bob would be considered risky because he has no credit history to determine whether or not he would be a good borrower.**
- **Eda is considered risky because she has a record for not paying her loans and has a tax lien against her property.**
- **Jelani has a good chance of getting a loan because he has been making payments on time and has a good credit history.**
- **Miranda's son is risky because he is irresponsible with his credit. Not paying his bill will not only affect his credit negatively, but also Miranda's because she is the cosigner.**

## Opting Out

Credit card companies often access your credit report so that they can send you applications for their credit cards.

- You have the right to opt out of receiving these offers.
- The Fair Credit Reporting Act gives you the right to opt out or stop credit reporting agencies from providing your name and address for marketing lists for credit or insurance.
- Call toll-free 1-888-5-OPT-OUT (567-8688) or visit [www.optoutprescreen.com/](http://www.optoutprescreen.com/).
- Another option is to call the phone numbers that may be listed in your credit card privacy notices.

What questions do you have about how the credit report and the credit score are used? Let us talk about how you can get a copy of your credit report.

**Opting Out**

- **It's your right!**
  - Call: 1-888-5-OPTOUT (567-8688)
  - Visit: [www.optoutprescreen.com](http://www.optoutprescreen.com)
  - Call: The phone numbers that may be listed in your credit card privacy notices

TEC Financial Education Curriculum  
To Your Credit

Slide 26

Refer participants to Opting Out on page 11 of their Participant Guide. Answer any questions. Then introduce the next topic.

## Instructor Notes

## Presentation

## 15 Minutes

**Request Your Credit Score**

- **Receive a copy of your credit score from:**
  - Credit reporting agencies
  - Companies that want to sell your credit score as part of a package of products
- **Receive a free credit report:**
  - Once every 12 months
  - When you apply for a consumer loan secured by your personal dwelling

FDIC Financial Education Curriculum

To Your Credit

Slide 27

*Explain how participants can get a copy of their credit report and what they should be aware of in the process.*

## Getting a Copy of Your Credit Report

### Request Your Credit Score

You can request your credit score, including an explanation of the factors that went into computing the score, by contacting the three major credit reporting agencies—Equifax, Experian, and TransUnion. You may want to review your credit report from all three agencies because some companies do not report data to all three credit reporting agencies.

Other credit reporting companies may try to sell you your credit score as part of a package of products.

- Beware of any company that charges excessive fees for providing a credit score or advertises free credit score offers, but requires you to subscribe to a monthly service.
- Understand the cost of the services being offered, whether you need them, and if so, whether you can find a better deal elsewhere.

**Note:** A lender must provide you with your credit score for free if your credit score leads to:

- Your application for credit being denied, or
- You paying a higher interest rate or otherwise receiving less favorable terms.

Because your credit report is an important part of many credit scoring systems, it is important to make sure your credit report is accurate before you apply for a loan. You can get a copy of your credit report for **free**:

- Once every 12 months
- Under certain circumstances, which we will look at in a minute

### Free Annual Credit Report

The Fair Credit Reporting Act (FCRA) requires each of the three credit reporting agencies to provide you with a free copy of your credit report, at your request, once every 12 months.

- Order your free annual credit report from [www.annualcreditreport.com](http://www.annualcreditreport.com).
- This is the only online source authorized to do so. Beware of other sites that may look and sound similar.
- You may order a copy of your credit report from all three credit reporting agencies at the same time through the site, or space your



*Explain the FCRA.*

## Instructor Notes

## Presentation

requests out several months apart.

- Remember you can only receive a free credit report from each credit reporting agency once every 12 months.

The Federal Trade Commission (FTC) advises consumers who order their free annual credit reports online to correctly spell

[www.annualcreditreport.com](http://www.annualcreditreport.com), or link to the site from the FTC's website.

- This is so you avoid being misdirected to other websites that claim to offer free reports, but only do so with the purchase of other products.
- While you may be offered additional products or services while on the authorized website, you are not required to make a purchase to receive free annual credit reports.

Let us review the steps involved in requesting your free credit report and the form you use to make your request.

## How to Get Your Free Annual Credit Report

You can obtain free annual credit reports from one or all of the credit reporting agencies by doing one of the following:

- Submit a request online at [www.annualcreditreport.com](http://www.annualcreditreport.com)
- Call toll-free: 1-877-322-8228
- Complete the Annual Credit Report Request Form and mail it to:

### Annual Credit Report Request Service

**P. O. Box 105281**

**Atlanta, GA 30348-5281**



*Refer participants to the How to Get Your Free Annual Credit Report on page 11 of their Participant Guide. Review it with them.*

**Free Annual Credit Report**

Visit: [www.annualcreditreport.com](http://www.annualcreditreport.com)

Call: 877-322-8228

Mail:

**Annual Credit Report Request Service**

P. O. Box 105281

Atlanta, GA 30348-5281

FTC Financial Education Consortium

To Your Credit 11

*Slide 28*

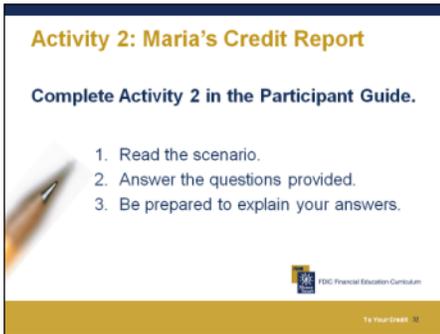
You can print a copy of the Annual Credit Report Request Form from [www.annualcreditreport.com](http://www.annualcreditreport.com) or [www.ftc.gov/credit](http://www.ftc.gov/credit).

- You must provide your name, address, SSN, and date of birth.
- You may have to provide your previous address if you have moved in the last 2 years
- For security purposes, each credit reporting agency may ask you for information that only you would know (e.g., amount of your monthly mortgage payment).
- Each company may ask or different information because the information each has in your file may come from different sources.



## Instructor Notes

## Presentation



Slide 29

Direct participants to Activity 2: Maria's Credit Report on page 13 of their Participant Guide. Complete the activity as a class or have participants work in small groups or individually. Review participants' responses and provide the answers before continuing.

## Activity 2: Maria's Credit Report

This exercise will give you a chance to answer some questions based on what you have learned about credit reports. Read about Maria's situation and answer the questions provided.

Maria is planning to buy a home. She has already received one free credit report from each of the three credit reporting agencies earlier this year. However, she wants to get a copy of her credit report before she applies for a home loan to make sure the information in the report is still accurate.

Can Maria get this new credit report for free? Explain your answer.

**Answer: No. Maria has already received a free copy from each of the agencies within the last 12 months. Unless she believes that her report is inaccurate because of fraud, she will have to pay to get another report before she applies for the loan. She may want to apply for the loan since she has recently checked her credit report. If the loan is denied, then she can get another copy for free.**

Since Maria is applying for the home loan with her husband, can she get a credit report that includes both her and her husband's credit information? Explain your answer.

**Answer: No. Credit information is maintained on an individual basis. Each spouse must request their own credit report. If both spouses are co-borrowers, the loan information should be shown on both credit reports. If Maria and her husband get the home loan, the information for that loan will go on both of their credit reports.**

Maria and her husband decide to shop around for the best price on a home loan. Several lenders prequalify them for a home loan. Maria realizes that each time they got prequalified the lender requested a copy of their credit reports. Should Maria and her husband be worried about these inquiries affecting their credit scores? Explain your answer.

**Answer: No. The credit score ignores all mortgage inquiries made in the 30 days prior to scoring. If Maria and her husband find a loan within 30 days, the inquiries will not affect their scores while they were rate shopping.**



Answer any questions. Then introduce the next topic. Note: Now may be a good time to break if you are dividing the class into two sessions.

What questions do you have about credit reports so far? Now we will take a more detailed look at the credit report so that you will be able to read one.

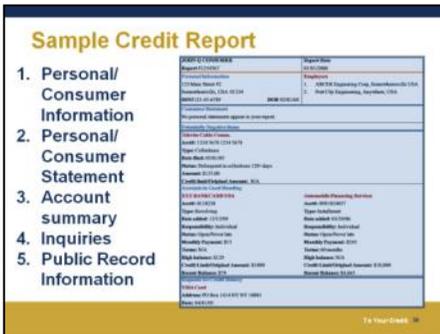
**Instructor Notes**

**Presentation**

**20 minutes**



Refer participants to *How To Read Your Credit Report* on page 14 of their Participant Guide.



Slide 30

Click the space bar, right arrow, or mouse to identify each part of the report.



Answer any questions.

**How to Read Your Credit Report**

**Sample Credit Report**

While each credit reporting agency may have a different format for its credit report, the type of information they contain is basically the same and includes:

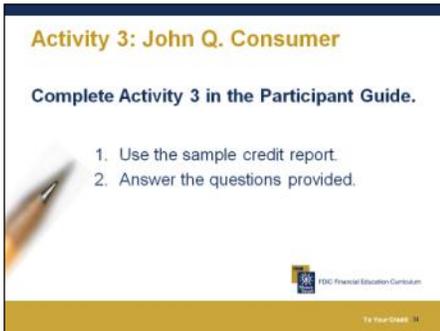
1. Personal or consumer information (e.g., name, addresses, and employment)
2. Personal or consumer statement, if you submit a statement to the credit reporting agencies to be included in your credit report
3. Account summary, including: creditor information, account status and type, and account history
4. Inquiries that have been made into your credit history
5. Public record information (tax lien, legal item, bankruptcy, wage item, judgment, etc.) that is not shown in this example

<b>JOHN Q CONSUMER</b>		<b>Report Date</b>
<b>Report #1234567</b>		01/01/2006
<b>Personal Information</b>		<b>Employers</b>
123 Main Street #2		1. ABCDE Engineering Corp, Somewheresville USA
Somewhereville, USA 01234		2. Port City Engineering, Anywhere, USA
SSN#123-45-6789	<b>DOB</b> 02/01/68	
<b>Consumer Statement</b>		
No personal statements appear in your report.		
<b>Potentially Negative Items</b>		
<b>Televise Cable Comm.</b>		
Acct#: 1234 5678 1234 5678		
Type: Collections		
Date filed: 05/01/05		
Status: Delinquent in collections 120+days		
Amount: \$125.00		
Credit limit/Original Amount: N/A		
<b>Accounts in Good Standing</b>		
<b>XYZ BANKCARD USA</b>		<b>Automobile Financing Services</b>
Acct#: 0110220		Acct#: 0981024057
Type: Revolving		Type: Installment
Date added: 12/12/99		Date added: 03/29/06
Responsibility: Individual		Responsibility: Individual
Status: Open/Never late		Status: Open/Never late
Monthly Payment: \$15		Monthly Payment: \$245
Terms: N/A		Terms: 60 months
High balance: \$129		High balance: N/A
Credit Limit/Original Amount: \$1000		Credit Limit/Original Amount: \$10,000
Recent Balance: \$79		Recent Balance: \$4,665
<b>Requests for Credit History</b>		
<b>VISA Card</b>		
Address: PO Box 1414 NY NY 10001		
Date: 04/01/05		

What questions do you have about the sample credit report?

## Instructor Notes

## Presentation



Slide 31

Refer participants to Activity 3: John Q. Consumer on page 15 of their Participant Guide. Complete the activity as a class or have participants work in small groups or individually. Provide the answer so they can check their thinking.

### Activity 3: John Q. Consumer

Now we are going to use the information on the sample credit report to answer the questions about John's credit history.

<b>JOHN Q CONSUMER</b> <b>Report #1234567</b>	<b>Report Date</b> 01/01/2006
<b>Personal Information</b> 123 Main Street #2 Somewheresville, USA 01234 SSN#123-45-6789 DOB 02/01/68	<b>Employers</b> 1. ABCDE Engineering Corp, Somewheresville USA 2. Port City Engineering, Anywhere, USA
<b>Potentially Negative Items</b>	
<b>Televise Cable Comm.</b> <b>Acct#:</b> 1234 5678 1234 5678 <b>Date filed:</b> 05/01/05 <b>Status:</b> Delinquent in collections 120+ days <b>Amount:</b> \$35.00 <b>Credit limit:</b> N/A	
<b>Accounts in Good Standing</b>	
<b>XYZ BANKCARD USA</b> <b>Acct#</b> 0110220 <b>Date added</b> 12/12/98 <b>Status:</b> Open/Never late <b>Monthly Payment</b> \$15 <b>High balance</b> \$129 <b>Credit Limit</b> \$1,000	<b>Homeowner Credit Services</b> <b>Acct#</b> 0110220 <b>Date added</b> 04/23/00 <b>Status:</b> Closed at consumer's request 08/22/2004 <b>Monthly Payment</b> \$0 <b>High balance</b> \$3,228 <b>Credit Limit</b> \$1,000
<b>Requests for Credit History</b>	
<b>VISA Card</b> <b>Address:</b> PO Box 1414 NY NY 10001 <b>Date:</b> 04/01/05	

John Consumer has an account that has been sent to a collection agency. Where on his credit report would you find this information?

**Answer: Potentially negative items in the account summary section.**

Who is the original creditor?

**Answer: Televise Cable Comm.**

## Instructor Notes

## Presentation

In August 2004, an account was closed at John's request. What was the high balance on this account?

**Answer: \$3,228.**

Where did you find this information?

**Answer: Accounts in good standing within the account summary section.**



*Answer any questions.*

Who does John work for? Where did you find this information? Hint: current employers are listed first.

**Answer: ABCDE Engineering Corp., Employer box in personal information section.**

What questions do you have about how to read a credit report?

## Checking for Errors

If not caught and corrected, errors on your credit report may lower your score and cause you to be denied for credit. Most financial advisors recommend that you review your credit report every year or at a minimum, before you apply for credit to pay for larger purchases (e.g., a new home or a car).

It is **your responsibility** to ensure that your credit report is accurate. Credit reporting agencies do not investigate the accuracy of reported information unless you ask them to.

- If you think there is an error on your credit report, contact the credit reporting agency and write a letter disputing the error. Keep a copy of the letter for your records.
- The credit reporting agency is required to conduct an investigation within 30 days of receiving your letter.

A sample dispute letter can be found in your Participant Guide on page 16. You will need to customize and add information about a specific error where noted in the parentheses.



*Slide 32*

*Explain the importance of checking for errors.*



*Refer participants to the Sample Dispute Letter on page 16 of their Participant Guide.*

### Sample Dispute Letter

Date

Your Name

## Instructor Notes

## Presentation

Your Address  
Your City, State Zip Code

Complaint Department  
Name of Credit Reporting Agency  
Address  
City, State Zip Code

Dear Sir or Madam:

I am writing to dispute the following information in my file. The items I dispute also are (highlighted/circled) on the attached copy of the report I received.

This item (identify item/s disputed by name of source, (e.g., name of creditor or tax court) and identify type of item, including: credit account, judgment, etc.) is inaccurate or incomplete because (describe what is inaccurate or incomplete and why). I am requesting that the item be deleted (or request another specific change) to correct the information.

Enclosed are copies of (use this sentence if applicable and describe any enclosed documentation, including: payment records and court documents) supporting my position. Please reinvestigate this/these matter/s and (delete/correct) the disputed item/s as soon as possible.

Sincerely,

Your name

Enclosures: (List what you are enclosing)



*Answer any questions. Then introduce the next topic.*

What questions do you have about how to dispute an error on your credit report?

Another important matter that is related to the accuracy of your credit report is identity theft.

## Instructor Notes

## Presentation



*Explain identity theft. Have groups or the class brainstorm and share ways to avoid identity theft. Write participants' responses on chart paper.*



*Refer participants to How to Avoid Identity Theft beginning on page 17 of their Participant Guide. Relate participants' responses with the tips in the handout.*

**Minimize Your Risk of Identity Theft**

- Protect your personal information (SSN, PINs, passwords, credit/debit cards)
- Protect your incoming/outgoing mail
- Sign up for direct deposit
- Keep your financial trash "clean"
- Keep an eye on your bank statements and credit card bills

FTC Financial Education Curriculum

To Your Credit

**Minimize Your Risk of Identity Theft**

- Avoid identity theft on the Internet
- Review your credit record annually and report fraudulent activity
- Resources from the Federal Trade Commission (FTC):
  - [www.ftc.gov/idtheft/](http://www.ftc.gov/idtheft/)
  - 1-877-IDTHEFT (438-4338)

FTC Financial Education Curriculum

To Your Credit

Slides 33-34

## Identity Theft

Identity theft has become a serious problem. It occurs when thieves steal your personal information, such as your Social Security number, birth date, or credit card numbers.

The thieves might then open a new credit card or bank account using your name, birth date, and SSN. If bad checks are written or bills are not paid, they will show up on your credit report and cause problems for you.

What are some steps you can take to avoid identity theft?

## How to Minimize the Risk of Identity Theft

Here are a few ways you can minimize your risk of identity theft:

1. **Protect your SSN, credit card and debit card numbers, personal identification numbers (PINs), passwords, and other personal information.**
  - Never provide this information in response to an unwanted phone call, fax, letter, or email no matter how friendly or official the circumstances may appear.
  - Be mindful of those who may be shoulder surfing (or trying to look over your shoulder) while you use the ATM, and seeking to steal your PIN.
  - In case your wallet is lost or stolen, carry only the identification, checks, credit cards, or debit cards you really need. The rest, including your Social Security card, are best kept in a safe place.
  - Be extra careful if you have housemates or if you let others into your house, because they may find personal information and use it without your knowledge.
  - Do not preprint your SSN, phone number, or driver's license number on your checks. It is too easy for someone who sees your check to copy this personal information and even sell it to an identity thief.
  - Remember that you have the right to refuse requests for your SSN from merchants, because they may have other ways to identify you. If your SSN is still used as your driver's license number, ask the merchant to use another form of identification that does not include your SSN (e.g., a passport), and have your driver's license number changed.

## Instructor Notes

## Presentation

**2. Protect your incoming and outgoing mail.**

Your mail carrier may deliver a credit card or bank statement, an envelope containing a check, or other items that can be very valuable to a thief. Or perhaps you will mail a check or papers containing account numbers or other personal financial information.

- *For incoming mail:* Try to use a locked mailbox or other secure location (e.g., a post office box). If your mailbox is not locked or in a secure location you should try to promptly remove any delivered mail or move the mailbox to a safer place. When ordering new checks, ask about having the checks delivered to your bank branch instead of having them mailed to your home where you run the risk of a thief finding them outside your front door.
- *For outgoing mail containing a check or personal information:* Deposit it in a United States (U.S.) Postal Service blue collection box, hand it to a mail carrier, or take it to the post office instead of leaving it in your doorway or home mailbox. A mailbox that holds your outgoing bills is a prime target for thieves who cruise neighborhoods looking for account information. Avoid putting up the flag on a mailbox to indicate that outgoing mail is waiting.

**3. Sign up for direct deposit.**

Sign up for direct deposit of your paycheck or state or federal benefits (e.g., Social Security). Direct deposit prevents someone from stealing a check out of your mailbox and forging your signature to access your money. Direct deposit can be very beneficial in the event of a natural disaster that adversely impacts mail delivery, such as a flood, hurricane, or tornado.

**4. Keep your financial trash “clean.”**

Thieves known as dumpster divers pick through garbage looking for pieces of paper containing SSNs, bank account information, and other details they can use to commit fraud. Examples of valuable trash include insurance information containing your SSN, blank checks mailed by financial institutions with offers to “write yourself a loan,” canceled checks, and bank statements.

What is your best protection against dumpster divers? Before tossing out these items, destroy them, preferably using a crosscut shredder that turns paper into confetti that cannot be easily reconstructed.

## Instructor Notes

## Presentation

**5. Keep a close watch on your bank account statements and credit card bills.**

Monitor these statements each month and contact your financial institution immediately if there is a discrepancy in your records or if you notice something suspicious (e.g., a missing payment or an unauthorized withdrawal). While federal and state laws may limit your losses if you are a victim of fraud or theft, to fully protect yourself, you need to report the problem quickly. Contact your institution if a bank statement or credit card bill does not arrive on time. Missing financially related mail could be a sign someone has stolen your mail and/or account information, and may have changed your mailing address to run up big bills in your name from another location.

**6. Avoid identity theft on the Internet.**

Never provide bank account or other personal information in response to an unsolicited email, or when visiting a website that does not explain how personal information will be protected. Phishing scams that arrive by email typically ask you to update your account information. However, legitimate organizations would not ask you for these details because they already have the necessary information, or can obtain it in other ways. Do not respond to these emails; and do not open any attachments unless you independently confirm the validity of the request by contacting the legitimate organization the way you usually would, not by using the email address, website, or phone number provided in the email. If you believe the email is fraudulent, consider bringing it to the attention of the Federal Trade Commission (FTC). If you do open and respond to a phony email that suggests it is from your financial institution, contact your financial institution immediately. For more about avoiding phishing scams, or to obtain a brochure with tips on avoiding identity theft, visit [www.fdic.gov](http://www.fdic.gov).

Take precautions with your personal computer (PC). For example, install a free or low-cost firewall to stop intruders from gaining remote access to your PC. Download and frequently update security patches offered by your operating system and software vendors to correct weaknesses that a hacker might exploit. Use passwords that will be hard for hackers to guess. For example, use a mix of numbers, symbols, and letters instead of easily guessed words. Also, shut down your PC when you are not using it. For practical tips to help you guard against Internet fraud, secure your computer, and protect your personal information visit [www.OnGuardOnline.gov](http://www.OnGuardOnline.gov).

## Instructor Notes

## Presentation

**7. Review your credit record annually and report fraudulent activity.**  
Review your credit report carefully for warning signs of actual or potential identity theft (e.g., items that include mention of a credit card, loan, or lease you never signed up for, and requests for a copy of your credit record from someone you do not recognize), which could be a sign that a con artist is snooping around for personal information. If you suspect you are a victim of identity theft, contact your creditors immediately.

**8. Get more information.**

Visit the **FTC** at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or call **1-877-IDTHEFT (438-4338)**.

## What to Do If You Suspect You are a Victim of Identity Theft

If you believe you are a victim of identity theft, the FTC recommends you immediately take the following actions:

- File a report with your local police. Get a copy of the police report so you have proof of the crime.
- Contact your creditors about any accounts that have been changed or opened fraudulently. Ask to speak with someone in the security or fraud department.
- Follow up in writing and include copies of supporting documents.
- Keep records of your conversations and all correspondence.
- Use the Identity Theft Affidavit at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) to support your written statement.
- File a complaint with the FTC using the online complaint form ([www.ftccomplaintassistant.gov](http://www.ftccomplaintassistant.gov)) or call the FTC Identity Theft Hotline.
- Ask for verification that the disputed account has been closed and the fraudulent debts discharged.
- Call the FTC's Identity Theft Hotline at **1-877-IDTHEFT (438-4338)** or visit [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft).



*Refer participants to **What to Do If You Suspect You are a Victim of Identity Theft** on page 19 of their Participant Guide.*

**Victims of Identity Theft**

- **Take action immediately:**
  - File a police report
  - Contact your creditors
  - Follow up in writing
  - Use the ID Theft Affidavit at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft)
  - File a complaint with the FTC
  - Ask for verification that disputed accounts have been closed and fraudulent debts discharged

FTC Financial Education Curriculum

*Slide 35*

*Explain a victim's immediate actions.*

### Fraud Alerts

If you suspect you have been a victim of identity theft or think you are about to be (e.g., if your wallet is stolen):

- Contact the fraud department of any of the three major credit reporting agencies. The agency you call is required to notify the other two credit agencies. Tell them you are an identity theft victim

## Instructor Notes

## Presentation

**Victims of Identity Theft**

- **Place a fraud alert on your credit file:**
  - Initial fraud alert – 90 days
  - Extended fraud alert – 7 years
- **Place a security freeze on your credit file:**
  - Restricts access to your credit report
  - May delay, interfere with, or prohibit the timely approval of subsequent requests or applications for credit




FDIC Financial Education Curriculum

Slide 36

Explain fraud alerts. Then click the space bar, right arrow, or mouse to display the security freeze points.

(or potential victim).

- You have the right to place an *initial fraud alert* in your credit file. You can do this by calling, writing, or visiting any of the three credit agencies online. This initial fraud alert will last for 90 days.

If you know you are a victim of identity theft, you may have an extended fraud alert placed in your credit file.

- The *extended fraud alert* requires a lender to contact you and get your approval before authorizing any new account in your name.
- The fraud alert is effective for seven years.
- To place an extended alert in your credit file, submit your request in writing and include a copy of an identity theft report filed with a law enforcement agency (e.g., the police) or with the U.S. Postal Inspector.

You can get a free copy of your credit report if you ask when you place a fraud alert on your file. Active-duty military personnel have the right to place an alert in their credit files so that lenders acting on loan applications can guard against possible identity theft.

### Security Freeze

Many states have laws that allow you to place a security freeze on your credit file.

- A *security freeze* restricts potential creditors and third parties from accessing your credit report unless you authorize the release of the security freeze.
- Be aware that using a security freeze to restrict access to your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application for credit.
- State laws vary, and there may be a charge to freeze and unfreeze a credit file. The cost of placing, temporarily lifting, and removing a credit freeze also varies. Many states make credit freezes free for identity theft victims, while in other states consumers must pay a fee, typically \$10. For more information please visit: [www.ftc.gov](http://www.ftc.gov).



Answer participants' questions. Then introduce the next topic. Note: Now may be a good time to take a short break if you have not done so already.

What questions do you have about identity theft?

Your personal and financial information can be as good as cash to a criminal, so take identity theft seriously. Start by following these simple suggestions for keeping your sensitive information secure.

## Instructor Notes

## Presentation

20 minutes



*Note: Make sure you have covered Activity 1: Who Poses the Most Credit Risk? on page 20 of this Instructor Guide. Ask for participants' responses. Write their responses on chart paper.*



*Refer participants to Tips on How to Build Your Credit History on page 20 of their Participant Guide. Relate participants' responses to these tips.*

**Building Your Credit History**

- Apply for a small bank loan
- Apply for credit at a local store
- Make large down payments and negotiate credit payments
- Ask a friend or relative to cosign a loan for you

TDC Financial Education Curriculum  
To Your Credit

**Building Your Credit History**

- Pay your bills on time
- Ask lenders to review utility and other bills to grant you credit
- Keep your debt levels low
- Make regular deposits into your savings account

TDC Financial Education Curriculum  
To Your Credit

Slides 37–38

## Building and Repairing Your Credit History

### Tips on How to Build Your Credit History

Remember Bob from our earlier activity? He did not have a credit history. What are some ways Bob could build his credit history or demonstrate his creditworthiness?

**Note:** Creditors look at your credit report to see how many inquiries you have, how much credit you are using, whether your payments are timely, if you have delinquent accounts, and how many accounts you have opened.

#### Answers:

- Apply for a small loan at the bank, thrift, or credit union where you have checking and savings accounts.
- Apply for credit with a local store. They typically have a lower credit limit and a higher annual percentage rate (APR), but they are generally more willing to lend you money.
- Make a large down payment on a purchase and negotiate credit payments for the balance. If you do not have a credit history but have a large down payment, there is less risk you will not make the payments. For example, if you are buying a used car for \$5,000 and have enough cash, you might consider making a down payment of \$1,000 to \$3,000. Although the loan will be very small, it can prove you make your payments on time.
- Ask a friend or relative with an established credit history to be a cosigner for you. A cosigner promises to repay the loan if you do not. The lender should report the payment information for both you and the cosigner to the credit reporting agencies. Remember that you can damage the cosigner's credit history if you do not pay the loan back as promised.
- Pay your bills on time. This will help establish a good credit history so you can get credit in the future.
- Ask the lender to review your history of making rent and utility payments to demonstrate your ability to pay.
- Keep your debt levels low. The more debt you have in relation to your income or your available credit lines, the more you will be viewed by lenders as a higher risk borrower. All of your monthly obligations (e.g., rent/mortgage, car payments, school loans, credit card payments, etc.) should be less than or equal to 33 to 36 percent of your monthly gross income.

## Instructor Notes

## Presentation



*Answer any questions. Then introduce the next topic.*



*Make sure you have covered Activity 1: Who Poses the Most Credit Risk? on page 20 of this Instructor Guide. Write participants' responses on chart paper.*



*Refer participants to Tips on How to Repair Your Credit beginning on page 20 of their Participant Guide. Relate these tips to participants' brainstorming responses.*

**Repairing Your Own Credit**

- Get a copy of your credit report
- Contact the credit reporting agency and creditors to report errors
- Consider opting out of unsolicited offers for credit to avoid getting into more debt

FDIC Financial Education Curriculum

To Your Credit

- Make regular deposits into a savings account. This is another way to show the lender that you can make payments every month, even if you are making the payments to yourself.

Once you get credit, make sure you manage it well. Contact your lenders right away if you anticipate payment problems and attempt to work out a solution.

What questions do you have about building your credit history?

Now we will look at steps you can take to repair your credit history.

### Tips on How to Repair Your Credit

If you remember Eda from the earlier activity, she had been late making her car payments and then stopped making payments all together. She also has a lien on her house.

What can Eda do to repair her credit history?

**Answer: There are two ways to repair your credit history: do it yourself or use a reputable credit counseling agency.**

#### Repairing your own credit:

- Begin by contacting credit reporting agencies to get a copy of your credit report.
- Report errors on your credit report to the credit reporting agency in writing. Include copies (NOT originals) of documents that support your position. In addition to providing your complete name and address, your letter should clearly identify each item in your report you dispute, state the facts, and explain why you dispute the information and request that it be removed or corrected. Keep copies of your dispute letter and enclosures. Also, tell the creditor or other information provider, in writing, that you dispute an item.
- Contact your lenders to renegotiate payment plans.
- Opt out of receiving unsolicited offers for credit cards to avoid the temptation if you have trouble managing credit cards.

#### Repairing credit using a reputable credit counseling agencies:

Reputable credit counseling organizations can advise you on managing your money and debts, help you develop a budget, and offer free educational materials and workshops. Counselors discuss your entire financial situation

## Instructor Notes

## Presentation

**Credit Counseling Agencies**

- Interview several companies before signing a contract
- Be sure they are reputable
- Ask questions about services, fees, and a repayment plan



FDIC Financial Education Curriculum

14 Year-2000 11

Slides 39–40

with you and help you develop a personalized plan to solve your money problems. If you decide to use a credit counseling agency, the FTC offers these tips for choosing a credit counseling agency and questions to ask regarding services and fees:

- Interview several credit counseling agencies before signing a contract.
- Check with your state attorney general, local consumer protection agency, and the Better Business Bureau to find out if consumers have filed complaints about the agency you are considering. A reputable agency will send you free information about itself and the service it provides without requiring you to provide any details about your situation. If the agency will not do this, find another agency.
- Ask questions about services, fees, and a repayment plan.

Questions to ask credit counseling agencies:

**Services and Fees:**

- What services do you offer?
- Do you have educational materials? If so, will you send them to me? Are they free? Can I access them on the Internet?
- In addition to helping me solve my immediate problem, will you help me develop a plan for avoiding problems in the future?
- What are your fees? Do I have to pay anything before you can help me? Are there monthly fees? What is the basis for the fees?
- What is the source of your funding?
- Will I have a formal written agreement or contract with you?
- How soon can you take my case?
- Who regulates, oversees, or licenses your agency? Is your agency audited? Are you licensed to offer your services in my state?
- Will I work with one counselor or several?
- What are the qualifications of your counselors? Are they accredited or certified? If not, how are they trained?
- What assurance do I have that information about me (including my address and phone number) will be kept confidential?
- Will the fact I am working with you appear on my credit report?

**Repayment plans:**

- If I enroll in a repayment plan, will it appear on my credit report?
- How much debt must I have to use your services?
- How do you determine the amount of my payment? What happens

## Instructor Notes

## Presentation

if this is more than I can afford?

- How does your debt repayment plan work? How will I know my creditors have received payments? Is client money put into a separate account from operating funds?
- How often can I get status reports on my accounts? Can I get access to my accounts online or by phone?
- Can you get my creditors to lower or eliminate interest and finance charges or waive late fees?
- Is a debt repayment plan my only option?
- What if I cannot maintain the agreed-upon plan?
- What debts will be excluded from the debt repayment plan?
- Will you help me plan for payment of these debts?
- Who will help me if I have problems with my accounts or creditors?
- How secure is the information I provide to you?



*Answer any questions. Then introduce the next topic.*



*Refer participants to Credit Repair Scams on page 22 of their Participant Guide.*

**Credit Repair Scams**

- No one can remove accurate information from your credit report.
- It can take years to repair bad credit legitimately.
- No one can create a new identity for you.
- Legitimate companies provide a service before requesting payment.
- You can order your credit report yourself.

TDC Financial Education Curriculum

For additional information on choosing a credit counselor, visit [www.ftc.gov/bcp/edu/pubs/consumer/credit/cre26.shtm](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre26.shtm).

What questions do you have about building your credit history?

Before we finish, there are some additional things you need to know about credit repair.

## Credit Repair Scams

Only consistent efforts and making payments on your debts will improve your credit. Therefore, it is important to choose your credit counseling agency carefully. Some businesses make promises about repairing your credit that they cannot deliver.

Beware of companies that:

- Promise to erase your bad credit or to remove bankruptcies and judgments from your credit file. No one can have accurate information removed.
- Promise fast and easy credit repair. If you have bad credit, it can take years to repair your credit legitimately.
- Offer to create a new identity for you. If you make false statements on loan applications or use a fake SSN you will be committing fraud. You can also be charged with mail or wire fraud if you use the mail or telephone to apply for credit and provide false information.

## Instructor Notes

*Slide 41*

*Leave this slide displayed for the following credit case activity.*



*Refer participants to Credit Case: Credit Repair Scams on page 22 of their Participant Guide. Read each scam. Ask for participants to select the correct answer from Slide 41. Then share the correct statement appearing on the slide.*

## Presentation

- Want you to pay for credit repair services before providing any service. Legitimate companies provide a service before requesting payment.
- Will not tell you your rights and what you can do yourself: Remember, you can order your credit report yourself. If you see errors on your report, you can also request that the credit reporting agencies make appropriate changes.

Many states have laws that regulate credit repair companies. Before signing a contract, check with your local Better Business Bureau, state attorney general's office, or local consumer protection agency to see whether complaints have been filed against the company.

### Credit Case: Credit Repair Scams

Now I am going to read a few credit repair scams. I want you to tell me which credit repair statement on the slide indicates the statement I read might be a scam.

The credit repair agency promises to erase negative credit information and remove bankruptcies and judgments from your credit file. Which statement on the slide indicates this could be a scam?

**Answer: No one can have accurate information removed from your credit report.**

The credit repair agency offers to create a new SSN for you. Which statement on the slide indicates this could be a scam?

**Answer: No one can create a new identity for you.**

If you make false statements on loan applications or use a fake SSN you will be committing fraud. You can also be charged with mail or wire fraud if you use the mail or telephone to apply for credit and provide false information. This credit repair agency promises you fast and easy credit repair. Which statement on the slide indicates that this is a scam?

**Answer: It can take years to repair bad credit legitimately.**

## Instructor Notes

## Presentation

**Tips for Maintaining Your Credit When Payments Are a Problem**

*Refer participants to Tips for Maintaining Your Credit When Payments Are a Problem on page 23 of their Participant Guide.*

- Consider steps that can enable you to make your payments. Look for ways to cut expenses. If possible, pay your bills using funds in your checking or savings accounts, and avoid withdrawing or borrowing money from your retirement savings.
- Stay current on loans, credit cards, and other bill payments. This will help minimize damage to your credit score. This is important if your financial difficulties are due to a job loss, because as you apply for new jobs, employers may review your credit report.
- Contact your lenders immediately if you anticipate payment problems. If you expect you will be unable to pay your bills—whether they be utilities or your mortgage payment or credit card—call quickly to work out a plan. You can damage your credit rating if you wait until you are unable to make the payments, and may have fewer options available for getting help.
- Be proactive if your payment problems have already started. If you are unable to make your loan payments, seek help quickly by discussing your options with your lender or mortgage loan servicer (the company that collects payments and performs other work for the lender, including negotiating new payment plans with borrowers who are late or delinquent on their loan payments).



*Answer any questions.*

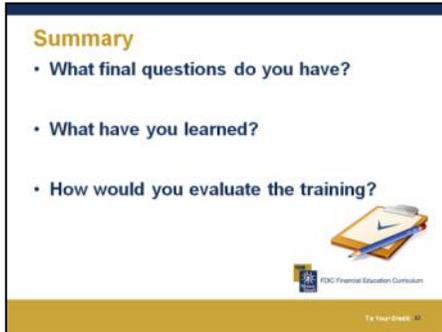
What questions do you have about building and repairing your credit history?

Let us look at what we have learned today.

## Instructor Notes

## Presentation

## 10 minutes



Slide 42

Answer any final questions. Have participants complete the *Post-Test* and/or *What Do You Know?* form along with the evaluation form.



Slide 43

Review what was covered in the module and ensure participants' expectations, questions, and concerns have all been covered.

## Wrap-Up

## Summary and Post-Test

We have covered a lot of information today about how to maintain a good credit history. What final questions do you have?

Now we will see what you have learned by completing [a short *Post-Test* beginning on page 24 of your *Participant Guide* and/or the “*After the Training*” column of the *What Do You Know?* form that you completed earlier].

Who would like to share one thing they learned from this training?

To improve the training, we need your feedback. Please complete the *Evaluation Form* on pages 29 and 30 of your *Participant Guide*.

## Conclusion

Congratulations! You have completed the *To Your Credit* module. You learned how to:

- Read a credit report
- Order a credit report
- Start building and repairing your credit history
- Protect yourself from identify theft and credit repair scams

You now know why it is important to maintain a good credit history. Great job on completing the *To Your Credit* module! Thank you for participating.

## Post-Test

Now that you have gone through the course, see what you have learned.

1. Select all that apply. Your credit score may impact your ability to:
  - a. **Apply for a loan or other form of credit**
  - b. **Apply for a job**
  - c. **Apply to rent an apartment**
  - d. **Open accounts, with utility companies for example**
  
2. Which of the following are ways you can build a credit history if you do not already have one? Select all that apply.
  - a. Obtain a small loan
  - b. Establish credit at a local store
  - c. Get a cosigner for a loan
  - d. **All of the above**
  
3. Identity theft occurs when thieves steal your personal information, such as your SSN, birth date, or credit card numbers.
  - a. **True**
  - b. False
  
4. Which of the following might be a reason for having your loan or credit application denied? Select all that apply.
  - a. Paying your bills on time
  - b. Obtaining a loan or credit
  - c. **Having a tax lien against your property**
  - d. **Having never established a credit history**
  
5. Which of the following are the best and safest options for repairing your credit history?
  - a. Do it yourself
  - b. Use a Housing and Urban Development (HUD)-certified credit counseling agency
  - c. Use a credit repair company
  - d. **a and b**
  
6. Which of the following information is included in your credit report? Select all that apply.
  - a. A list of inquiries for your credit report
  - b. Personal identifying information
  - c. Credit history of your accounts
  - d. Public record information
  - e. **All of the above**

- 
7. Which of these is true about repairing your credit history?
    - a. You can remove accurate information if it is bad
    - b. You can create a new identity and start over
    - c. It can take years to repair your credit history**
    - d. You will not have to pay any more of your bills
  
  8. Which of the following accurately describe the implications of good and bad credit scores? Select all that apply.
    - a. You are more likely to get a lower interest rate if your credit score is high**
    - b. You are more likely to pay a higher interest rate if your credit score is high
    - c. It is easier to borrow money if your credit is good**
    - d. It is easier to borrow money if your credit is bad
  
  9. Unless you have a circumstance that allows you to obtain it more often, under the Fair Credit Reporting Act (FCRA), how often can you get a free credit report from each of the three major credit reporting agencies?
    - a. Every 3 months
    - b. Every 12 months**
    - c. Every 6 months
    - d. Every 24 months
  
  10. Why should you check your credit report annually?
    - a. To identify and dispute any errors or inaccurate information
    - b. To ensure you have not become a victim of identity theft
    - c. To make sure your credit history is accurate before applying for a loan
    - d. All of the above**

# What Do You Know? – To Your Credit

Instructor: \_\_\_\_\_ Date: \_\_\_\_\_

This form will allow you and the instructors to see what you know about credit reports both before and after the training. Read each statement below. Please circle the number that shows how much you agree with each statement.

I can:	Before the Training				After the Training			
	Strongly Disagree	Disagree	Agree	Strongly Agree	Strongly Disagree	Disagree	Agree	Strongly Agree
1. Define credit	1	2	3	4	1	2	3	4
2. Explain why credit is important	1	2	3	4	1	2	3	4
3. Describe the purpose of a credit report and how it is used	1	2	3	4	1	2	3	4
4. Order a copy of my credit report	1	2	3	4	1	2	3	4
5. Read and analyze my credit report to determine if I am ready to apply for credit	1	2	3	4	1	2	3	4
6. Differentiate between good and bad credit	1	2	3	4	1	2	3	4
7. Describe the implications of good and bad credit scores	1	2	3	4	1	2	3	4
8. Identify ways to build and repair my credit history	1	2	3	4	1	2	3	4
9. Recognize how to correct errors on my credit report	1	2	3	4	1	2	3	4
10. Recognize how to guard against identity theft	1	2	3	4	1	2	3	4

# Evaluation Form

This evaluation will enable you to assess your observations of the *To Your Credit* module. Please indicate the degree to which you agree with each statement by circling the appropriate number.

<p>1. Overall, I felt the module was:</p> <p><input type="checkbox"/> Excellent</p> <p><input type="checkbox"/> Very Good</p> <p><input type="checkbox"/> Good</p> <p><input type="checkbox"/> Fair</p> <p><input type="checkbox"/> Poor</p>	<p style="text-align: center;"><b>Strongly Disagree</b></p> <p style="text-align: center;"><b>Disagree</b></p> <p style="text-align: center;"><b>Neutral</b></p> <p style="text-align: center;"><b>Agree</b></p> <p style="text-align: center;"><b>Strongly Agree</b></p>				
2. I achieved the training objectives.	1	2	3	4	5
3. The instructions were clear and easy to follow.	1	2	3	4	5
4. The overheads were clear.	1	2	3	4	5
5. The overheads enhanced my learning.	1	2	3	4	5
6. The time allocation was correct for this module.	1	2	3	4	5
7. The module included sufficient examples and exercises so that I will be able to apply these new skills.	1	2	3	4	5
8. The instructor was knowledgeable and well-prepared.	1	2	3	4	5
9. The worksheets are valuable.	1	2	3	4	5
10. I will use the worksheets again.	1	2	3	4	5
11. The participants had ample opportunity to exchange experiences and ideas.	1	2	3	4	5
	<b>None</b>		<b>Advanced</b>		
12. My knowledge/skill level of the subject matter before taking the module.	1	2	3	4	5
13. My knowledge/skill level of the subject matter upon completion of the module.	1	2	3	4	5
14. Name of Instructor:	<p><b>Response Scale:</b></p> <p><b>5 Excellent</b></p> <p><b>4 Very Good</b></p> <p><b>3 Good</b></p> <p><b>2 Fair</b></p> <p><b>1 Poor</b></p>				
Instructor Rating:	<p>Please use the response scale and circle the appropriate number.</p>				
Objectives were clear & attainable	1	2	3	4	5
Made the subject understandable	1	2	3	4	5
Encouraged questions	1	2	3	4	5
Had technical knowledge	1	2	3	4	5

---

What was the most useful part of the training?

---

---

---

What was the least useful part of the training and how could it be improved?

---

---

---

# Glossary

**Annual Percentage Rate (APR):** The rate of interest you are charged, expressed as a yearly rate.

**Balance Computation Method:** A method for calculating interest. The most common is the average daily balance.

**Credit:** The ability to borrow money.

**Credit Report:** A full history of information within a consumer's credit file at the credit reporting agencies.

**Credit Score:** A numerical estimation of the likelihood that the consumer will meet his or her debt obligation(s).

**Fees:** Service charges from a financial institution, including:

- **Annual fee.** A fee, charged annually, for the privilege of using a credit card. Most cards that offer rewards (e.g., airline miles or travel awards) charge a yearly fee.
- **Balance transfer fee.** A fee for moving balances from one credit card to another. This fee is usually a percentage of the balance transferred. It might have a minimum and a maximum limit.
- **Cash advance fee.** A transaction fee charged when you access cash through an Automated Teller Machine (ATM) with your credit card. The advance often carries a higher interest rate than regular purchases, and there usually is no grace period.
- **Late fee.** A fee you incur if payment is received after the due date. A typical charge is \$29 per late payment.
- **Over-the-limit fee.** A fee applied if your outstanding charges exceed your credit limit. The charge is typically \$20.

**Finance Charge:** The cost of credit. It includes interest, service charges, and transaction fees.

**Grace Period:** The number of days you have to pay your balance before a creditor begins charging interest.

**Identity Theft:** A fraud committed or attempted using the identifying information of another person without authority.

**Interest:** The amount of money a financial institution charges for letting you use its money.

**Minimum Payment:** The minimum payment is the minimum dollar amount that must be paid each month.

**Opt Out:** To opt out of receiving mailed credit card offers, call 1-888-5-OPTOUT (567-8688) or visit [www.optoutprescreen.com](http://www.optoutprescreen.com).

**Periodic Rate:** An interest rate applied to your balance to calculate the finance charge.

**Previous Balance:** The amount you owe at the end of the previous billing period. Payments, credit, and new purchases during the current billing period are not included. Some creditors also exclude unpaid finance charges.

**Principal:** The total dollar amount of purchases made on a credit card, or the balance remaining on a loan, not including interest or other fees.

## For Further Information

### Federal Deposit Insurance Corporation (FDIC)

[www.fdic.gov/consumer](http://www.fdic.gov/consumer)

Division of Supervision & Consumer Protection

2345 Grand Boulevard, Suite 1200

Kansas City, Missouri 64108

1-877-ASK-FDIC (275-3342)

Email: [consumeralerts@fdic.gov](mailto:consumeralerts@fdic.gov)

Visit the FDIC's website for additional information and resources on consumer issues. For example, every issue of the quarterly *FDIC Consumer News* provides practical hints and guidance on how to become a smarter, safer user of financial services. Also, the FDIC's Consumer Response Center is responsible for:

- Investigating all types of consumer complaints about FDIC-supervised institutions
- Responding to consumer inquiries about consumer laws and regulations and banking practices

### U.S. Financial Literacy and Education Commission

[www.mymoney.gov](http://www.mymoney.gov)

1-888-My-Money (696-6639)

MyMoney.gov is the U.S. Government's website dedicated to teaching all Americans about financial education.

Whether you are planning to buy a home, balance your checkbook, or invest in your 401k, the resources on MyMoney.gov can help you. Throughout the site, you will find important information from federal agencies.

### Federal Trade Commission

[www.ftc.gov/credit](http://www.ftc.gov/credit)

1-877-FTC-HELP (382-4357)

The Federal Trade Commission (FTC) website offers practical information on a variety of consumer topics, including credit and identity theft. The FTC also provides guidance and information on how to select a credit counselor.