

LCHA Housing Counseling Presents



Credit Basics



LCHA is a Fair Housing and Equal Opportunity Agency
LCHA is HUD Certified Housing Counseling Agency # 80113





Housing Counseling

- Financial Literacy
- Fair Housing
- Budgets / Banking
- Credit
- Rental Counseling
- Home Purchase
- Foreclosure Prevention



LCHA is HUD-Approved Housing Counseling Agency # 80113



Your Host

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www.lakecountyha.org



Housekeeping

- ✓ Cameras Off
- ✓ Everyone Mute
- ✓ Q&A at the end
- ✓ Presentation on LCHA's website





Today's Workshop

- ➔ Reports vs. Scores
- ➔ Inside Your Report
- ➔ Your Legal Rights
- ➔ Review & Dispute
- ➔ Discrimination





Keep in Mind ...

- Credit is not a MORAL issue.
- Credit repair is self -actualized.
- 10 year maximum.



...

Scores vs. the Report

...



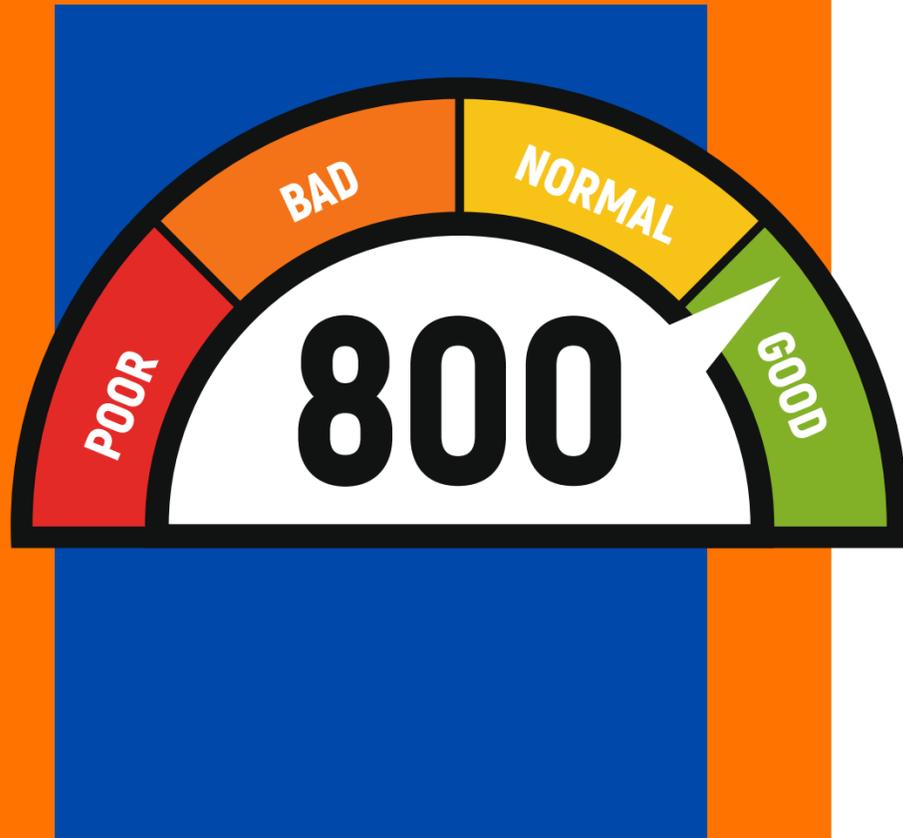
Scores vs. Report

Report

- Contains past 7 -10 years of financial information.
- Rights protected under federal laws.
- Free for all persons

Score

- Not Free
- Differs based on scoring model & bureau.
- Does not consider protected classes, data



Credit Score

3-digit number summarizing risk

Vantage

300 - 850

Fair Isaac & Co (FICO)

Experian: 300 - 850

Equifax: 300 - 850

TransUnion: 309 - 839

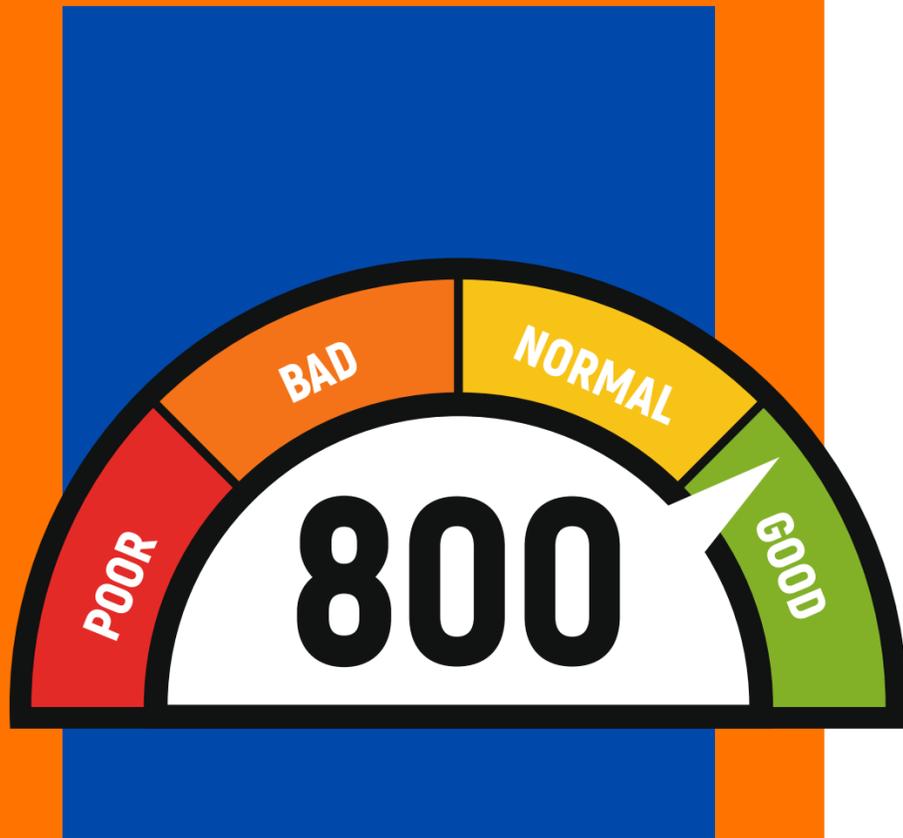
••• Vantage Score

Vantage 3.0

Weighs factors like payment history (40%), depth of credit (21%), and utilization (20%).

Vantage 4.0

Uses trended data and machine learning, offering a more complete financial picture.





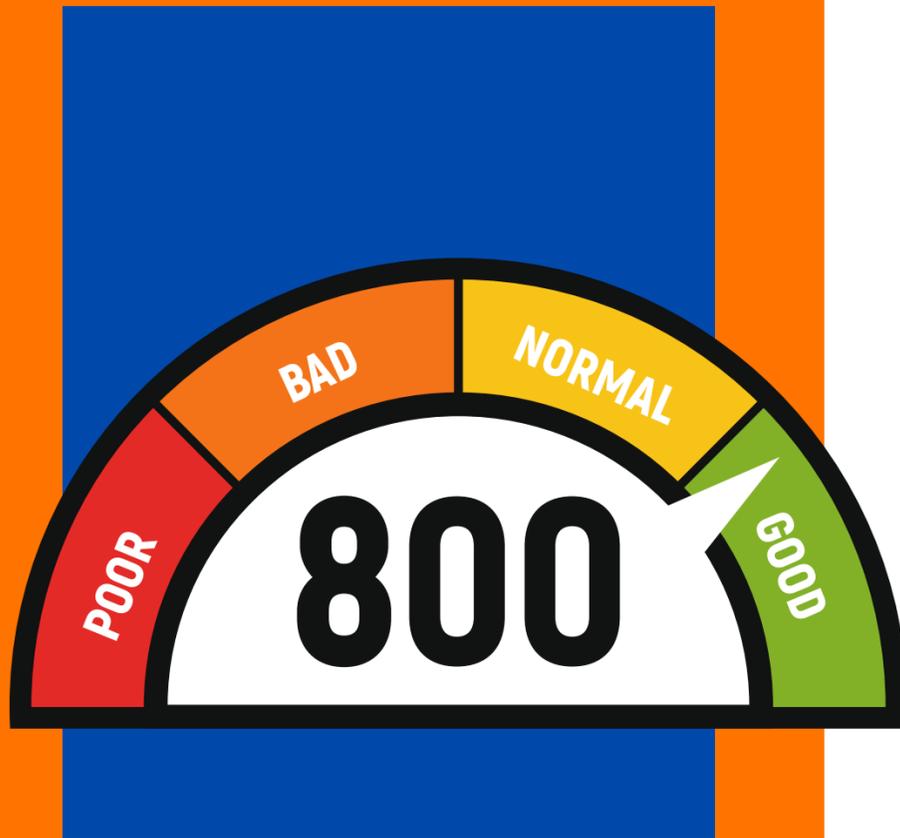
Vantage Score

Vantage 4+

Incorporates alternative data, like rent payments, to help score consumers with thin credit files.

Vantage 5.0

Designed for enhanced accuracy, consistency, and broader reach, especially for unsecured lending



Fair Isaac & Co (FICO)

FICO Auto (250 -900):

Focuses on auto specific behavior

FICO Bankcard (250 -900):

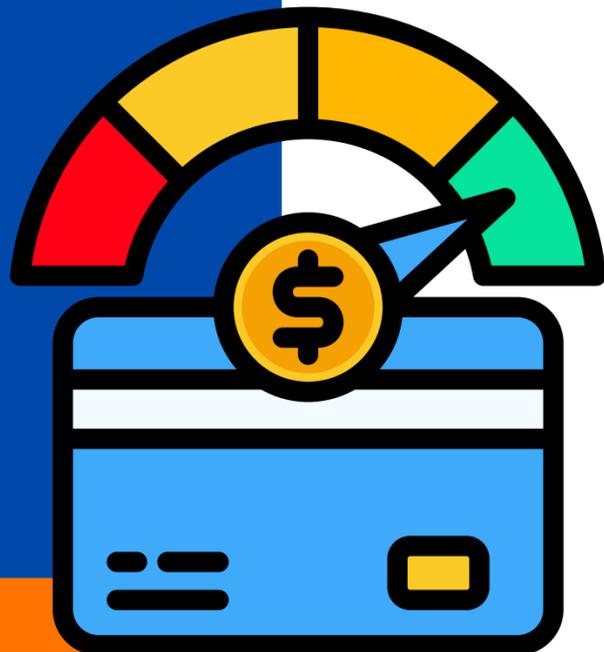
Fine tuned for credit card risk

FICO 6:

Exclusively for South African markets

FICO 7:

FICO's Small Business Scoring Service





Fair Isaac & Co (FICO)

FICO 2 (300 -850):

Experian Data for mortgage lending, used with 4&5

FICO 4 (309 -839):

Transunion Data for mortgage lending, used with 2&5

FICO 5 (300 -850):

Equifax Data for mortgage lending, used alongside 2&4





Fair Isaac & Co (FICO)

FICO 8:

Most popular model that weighs 5 key factors: payment history, debt, age of credit, credit mix, & new credit

FICO 9:

Overlooks paid collections/medical debt, allows reporting of rent by housing providers

FICO 10 / 10T:

Emphasizes late payments & personal loans. 10T expands analysis of behaviors to 24months.

FICO Scores Rank - Order Risk

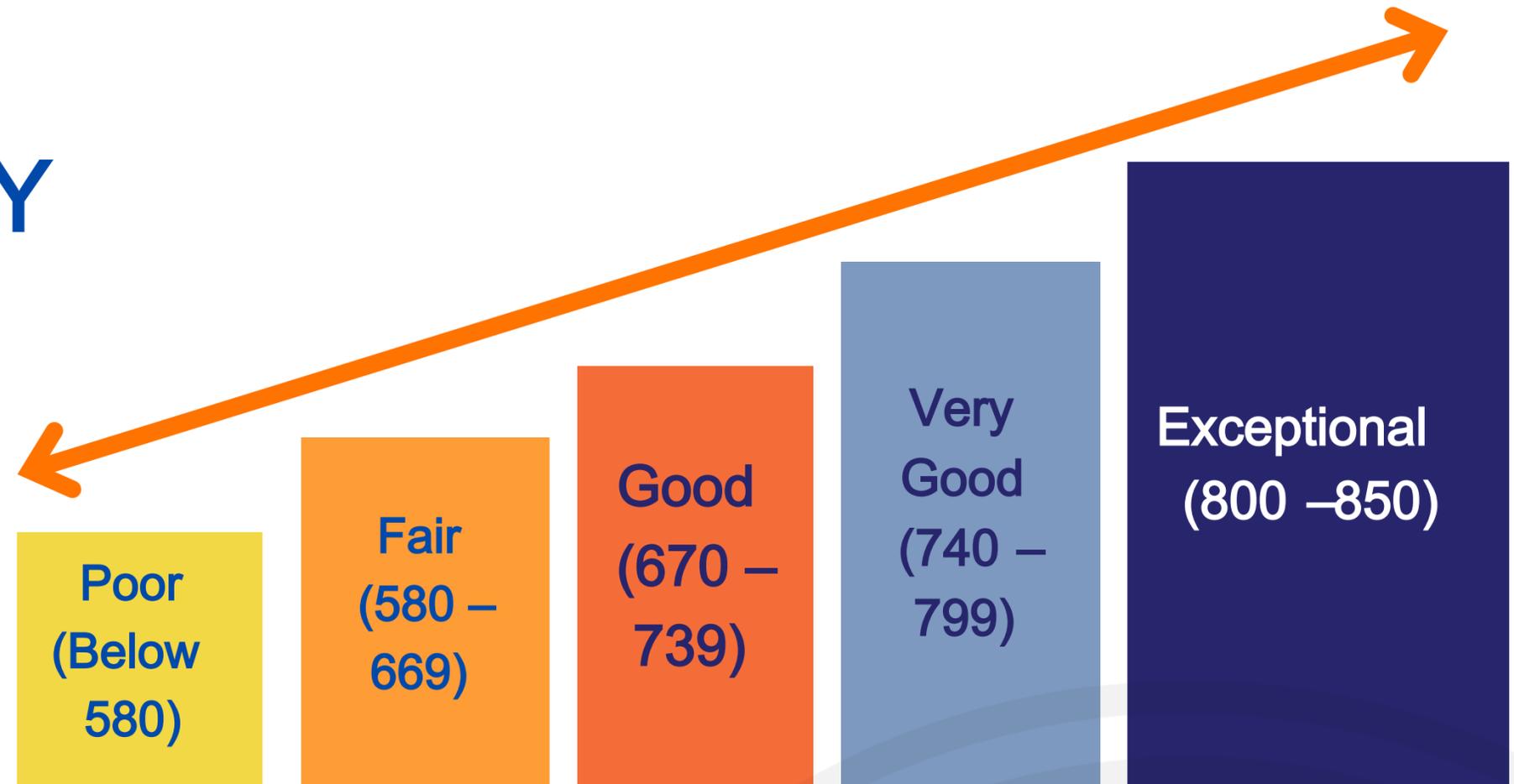


Your Score =

Are you moving

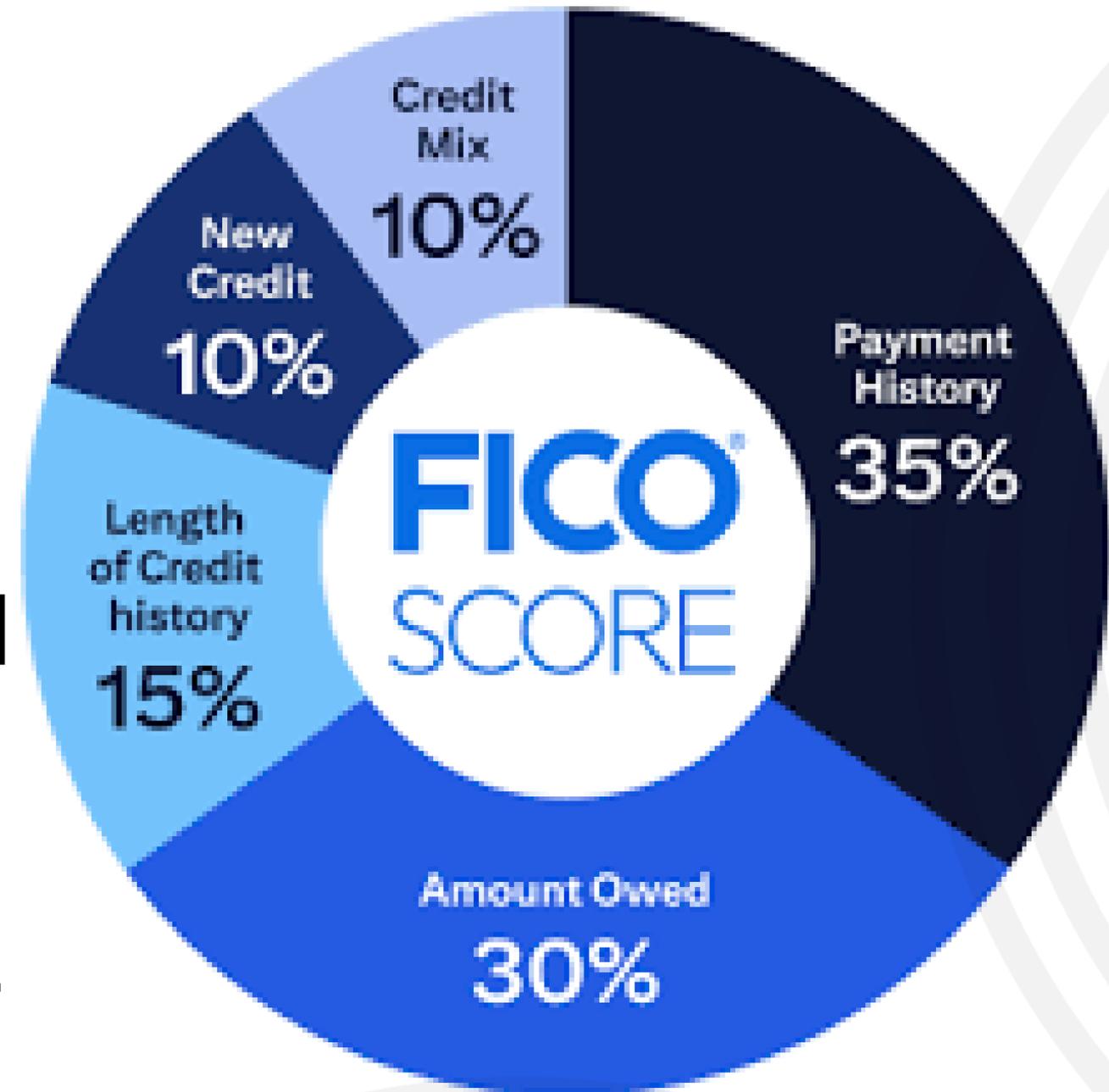
TOWARDS or **AWAY**

from insolvency?



5 Characteristics

- 1 35% PAYMENTHISTORY
- 2 30% OUTSTANDINGDEBT
- 3 15% CREDITHISTORYLENGTH
- 4 10% CREDITMIX
- 5 10% PERSUITOFNEWCREDIT



Payment History : 35%

① How RECENT?

② How SEVERE?

③ How MANY?



Outstanding Debt (Utilization): 30%

① How MUCH is Owed?

② What % of Credit Limit is Owed?

Length of Credit History: 15%

- 1 How MANY MONTHS, on average, have the accounts been established?
- 2 How MANY MONTHS since the most recent account was opened?

Mix of Credit : 10%

- 1 Installment
- 2 Revolving
- 3 Open Ended



Persuit of New Credit : 10%

- 1 How MANY recent credit inquiries do you have in the last 12 months?
- 2 How MANY of your accounts are from the last 12 months?

RISK and Your Score

Low Risk of Default

High Risk of Default



Utilization
10% - 29%

Established
Credit File

Credit
Blend

Few
Inquiries

On Time Minimum ++
Payments



Multiple Denials
for Credit

THIN
FILE

Utilization
over 30%

Weak
Blend

LATE
PAYMENTS

Impact < TIME



7 Years Maximum Impact
(10 years Ch 7 Bankruptcy)



Soft vs Hard Inquiries

Hard Inquiries

- Designed to result in a line of credit.
- Affects your score.

**ALL Inquiries Show Up
On the Credit Report!**

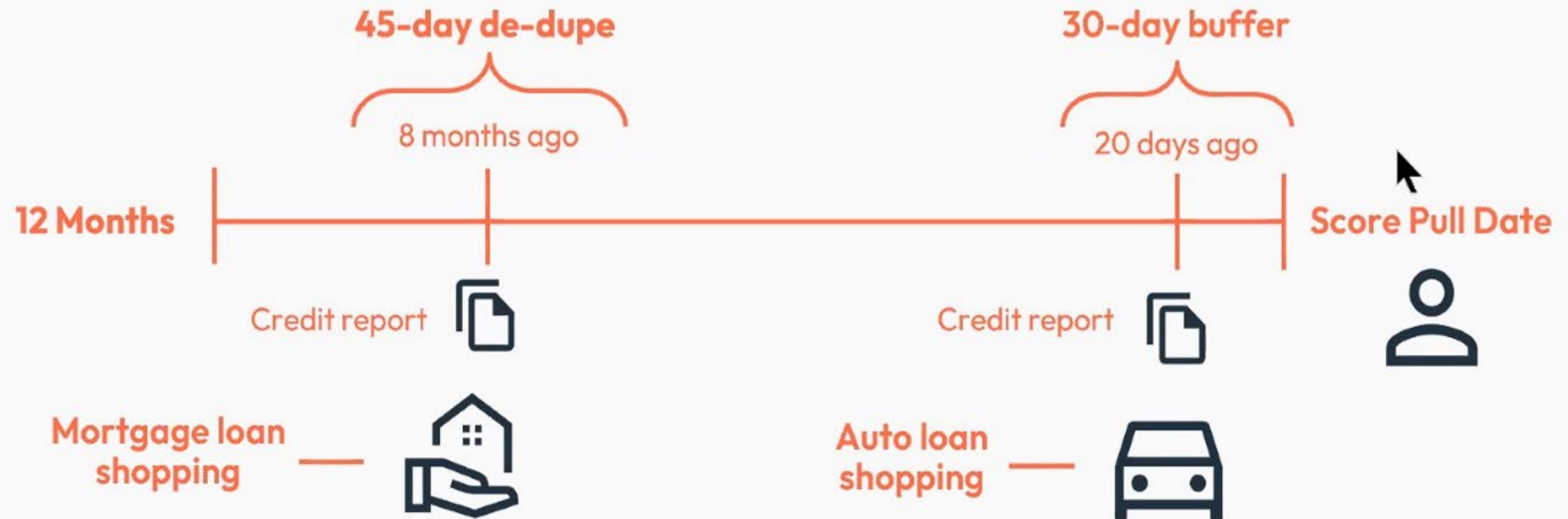
Soft Inquiries

- Promotional inquiries
- Account review inquiries
- Consumer disclosure inquiries
- Insurance inquiries
- Employment inquiries
- Does not impact score



Inquiry “De -Dupe” Logic

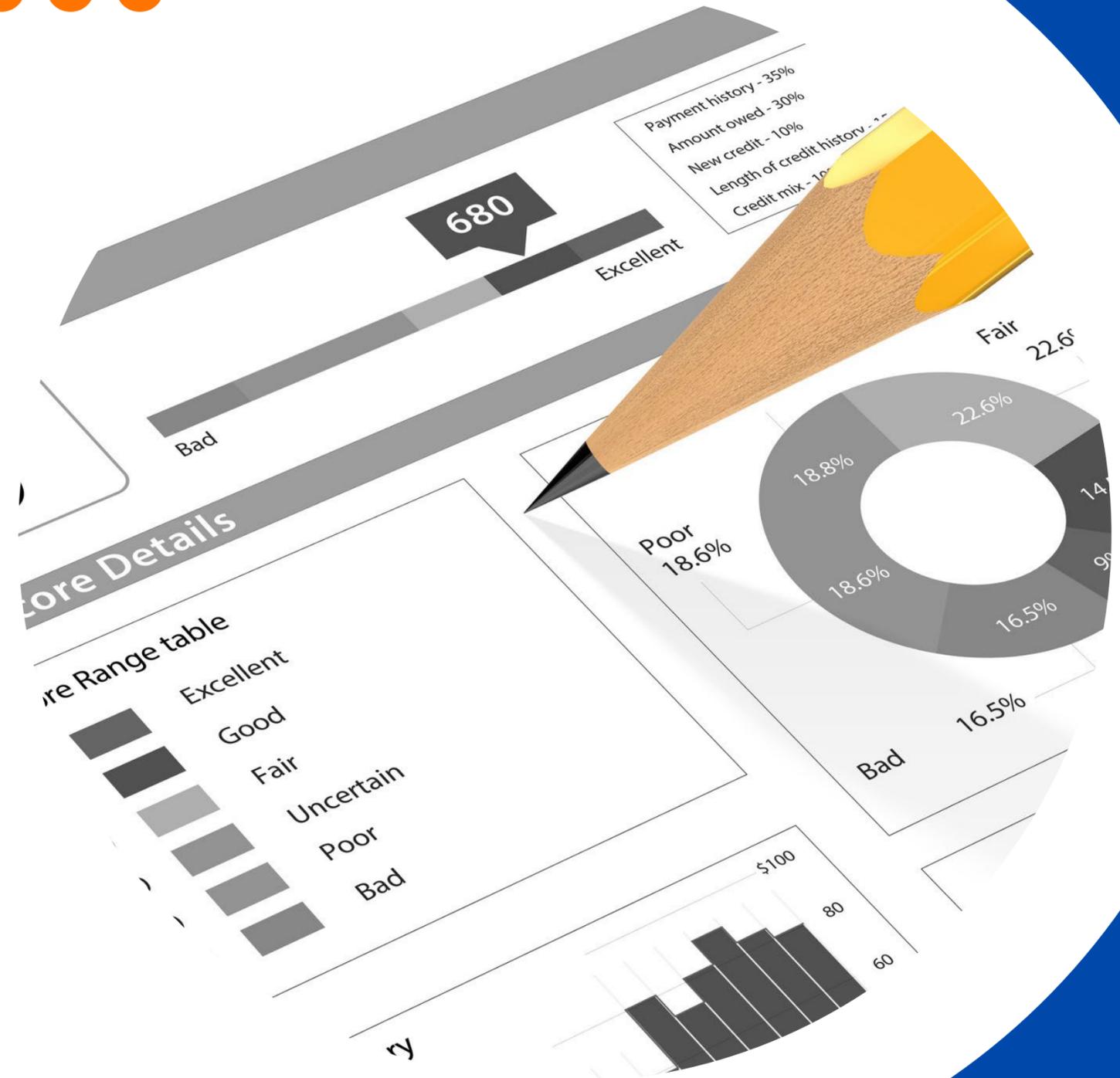
The FICO® Score models observe inquiries over a 12-month period.



45-day de-dupe window: Outside this 45-day period, multiple auto-, mortgage- or student loan-related inquiries that occur within any 45-day period are treated as a single inquiry.

30-day buffer: Auto-, mortgage- and student-loan related inquiries that occur within the prior 30 days to scoring have no effect on the score.

Inside Your Report

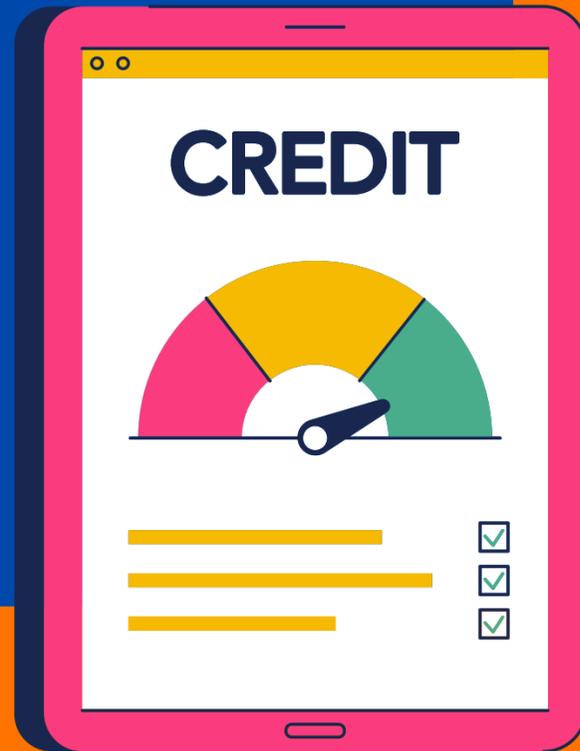


The Credit Report

Raw data re: behavior with credit

What does NOT appear on the report:

- Income, salary, employment details.
- Bank account balances (checking/savings).
- Rental payments (unless reported).
- Medical information .
- Criminal record.
- Demographic data (gender, religion, orientation, disability, etc).



The Credit Report

- 1 Personal Identifying Information
- 2 Account history or credit history
- 3 Public Records
- 4 Inquiries



Personal Identifying Info



370 Reed Rd., Suite 100 Broomall, PA 19008
800-243-0120

Order Verifications >>



HOUSING AUTHORITY OF THE
COUNTY LAKE IL
33928 N Us 45
Grayslake, IL 60030

Customer Code:
Requested By: ELIZABETH WERNIN
Loan Number:

Ordered: 06/15/2022
Released: 06/15/2022
Reissued:

Report ID: 12345678
Repositories: EQX/EXP/TUC
Price:

Applicant

Name Jeff Fakeman
SSN 000-00-0000 DOB 01/01/1956
Current Address 33928 N US Highway 45, Grayslake, IL 60030

Co-Applicant

Name Dorothy Fakeman
SSN 000-00-0000 DOB 01/01/1953
Current Address 33928 N US Highway 45, Grayslake, IL 60030

Underwriting Alerts

Alert	Recommendation
Mortgage Lates: 60+ day late payment found on the following mortgage accounts: CENTRAL LOAN ADMIN & R.	Order tradeline update to confirm accuracy of reported information. *
Collection Accounts: The following account(s) are reported as collection accounts: TEK-COLLECT INC, CHOICE RECOVERY.	Order tradeline update to confirm accuracy of reported information. *

File Summary

Account Type	Number of Accounts	Open Accounts	Accounts Currently Past Due	Past Due	Payment	Balance	Accounts	Historical Late Payments		
								30 Days	60 Days	90+ Days
Mortgage	12	7	1	\$45,433	\$13,290	\$1,608,334	7	9	10	46
Installment	3	2	2	\$408	\$0	\$408	0	0	0	0
Revolving/Credit Line	21	7	0	\$0	\$140	\$4,105	1	2	0	0



●●● Personal Identifying Info

This Section Includes :

Name and AKA's

Addresses

Social Security #'s

Date of Birth

Employment (sometimes)



●●● Personal Identifying Info

Credit Score Information							
Score	Name	Repository	Model	Developed By	Range	Calculated	Reported On
603	Jeff Fakeman	Equifax	FICO Classic v5	Fair Isaac	334-818	06/15/2022	EQX-A1
Factors							
<ul style="list-style-type: none"> • 38 - Serious delinquency, and derogatory public record or collection filed • 13 - Time since delinquency is too recent or unknown • 18 - Number of accounts with delinquency • 20 - Length of time since derogatory public record or collection is too short 							
Score	Name	Repository	Model	Developed By	Range	Calculated	Reported On
628	Jeff Fakeman	Experian	Fair Isaac (v2)	Fair Isaac	320-844	06/15/2022	EXP-A1
Factors							
<ul style="list-style-type: none"> • 38 - Serious delinquency and public record or collection filed. • 13 - Time since delinquency is too recent or unknown. • 18 - Number of accounts with delinquency. • 21 - Amount past due to accounts. 							
Score	Name	Repository	Model	Developed By	Range	Calculated	Reported On
589	Jeff Fakeman	TransUnion	FICO Risk Score, Classic (04)	Fair Isaac	309-839	06/15/2022	TUC-A1
Factors							
<ul style="list-style-type: none"> • 038 - Serious delinquency, and public record or collection filed • 013 - Time since delinquency is too recent or unknown • 018 - Number of accounts with delinquency • 020 - Time since derogatory public record or collection is too short 							



●●● Account/Credit History

This Section Includes :

Types of Accounts

Date the Account was Opened

Credit Limit

Loan Amount

Account Balance

Payment or Delinquency History





Account/Credit History

Credit History												
W	E	Creditor Name	Date Rprtd	Date Opened	High Credit	Balance	Past Due	Mo Rev	30	60	90 +	Acct Type MOP
h	C											
o	O	Acct Number		DLA	Credit Limit	Terms	Maximum Delinquency			Source		
s	A											
e												
J	J	FSTWEST 1234567891011 FREDDIE MAC ACCOUNT / REAL ESTATE MORTGAGE 715 S Metropolitan Ave - Oklahoma City, OK 73108 - 800-401-6587	06/06/2022	03/13/2013 05/01/2022	\$417,000	\$327,128 \$1866	\$0	99	0	0	0	Mtg/As Agreed EQX/EXP/TUC
J	J	CALILEND 1110987654321 FREDDIE MAC ACCOUNT / REAL ESTATE MORTGAGE 715 S Metropolitan Ave - Oklahoma City, OK 73108 - 800-401-6587	06/06/2022	05/23/2017 06/01/2022	\$257,000	\$234,276 \$2923	\$0	61	0	0	0	Mtg/As Agreed EQX/EXP/TUC
C	J	HELLISHSVC 22222222222222 REAL ESTATE MORTGAGE / CONVENTIONAL MORTGAGE 60-89 Days Late: 08/2020, 90+ Days Late: 09/2020 3815 South West Temple St - Salt Lake City, UT 84115 - 800-258-8602	06/10/2022	07/16/2005 05/01/2022	\$319,200	\$223,723 \$1862	\$0	24	0	1	1	Mtg/As Agreed * EQX/EXP/TUC 09/2020, 90-119 Days Late
C	J	REGULAR GUY MTG 0000000000000 REAL ESTATE MORTGAGE / LOAN MODIFIED 5014 Poplar Av #100 - Memphis, TN 38117 - 800-986-2462	06/06/2022	03/23/2007 05/01/2022	\$275,500	\$205,363 \$1303	\$0	99	1	0	0	Mtg/As Agreed * EQX/EXP/TUC 03/2019, 30-59 Days Late
B	I	OTHER SER 3333333333333 PAYING UNDER A PARTIAL PAYMENT AGREEMENT / REAL ESTATE MORTGAGE 312-780-2196	06/06/2022	12/29/2010 06/01/2022	\$197,100	\$176,543 \$2045	\$0	16	0	0	0	Mtg/As Agreed EQX/EXP/TUC
C	I	NR/SMS/CAL 123456789	04/30/2022	04/01/2005 04/01/2022	\$176,000	\$125,244 672M/\$1128	\$0	29	1	1	12	Mtg/As Agreed * TUC/EXP/EXP 02/2020, 120-149 Days Late

Account/Credit History

WHOSE Codes		
Letter Code	Digit Code	Description
B		Borrower
C		Co-Borrower
J		Joint; both borrower and coborrower

ECOA Codes		
Letter Code	Digit Code	Description
A	3	Authorized user - A joint account where the borrower is an authorized user, but has no contractual responsibility.
I	1	Individual account - An account solely for this borrower.
B	1	Individual account belonging to the borrower.
C	1	Individual account belonging to the co-applicant.
J	2	Joint account - An account for which both spouses are contractually liable.
M	7	Maker - An account where the borrower is primarily responsible, having a cosigner [or Co-maker] with no spousal relationship to assume liability if the borrower defaults.
P	4	Participating account - A joint account for which contractual liability cannot be determined.
S	5	Co-maker - An account for which the borrower is the co-signer, with no spousal relationship, who becomes liable if the primary signer [or Maker] defaults.
T		Terminated: A joint or cosigned account where the borrower is no longer associated with the account.
X		Deceased - The borrower has been reported deceased.
U	0 or 6	Undesignated account: An account that has not yet been designated.

Most Common ECOA's

A3: Authorized user

I1: Individual account

C1: Individual

co-applicant

J2: Joint account

X: Deceased





Account/Credit History

B I SPECLOANSV 01/31/2021 12/29/2010 \$197,100 \$0 \$0 11 0 0 8 Mtg/120 Days Late*
 *****23 01/01/2021 360M 12/2020, 120-149 Days Late EQX/EXP/TUC
FREDDIE MAC ACCOUNT / ACCOUNT TRANSFERRED OR SOLD
 120-149 Days Late: 12/2020, 11/2020, 10/2020, 09/2020, 08/2020, 07/2020, 06/2020, 05/2020
 8742 Lucent Blvd.#300 - Highlands Ranch, CO 80129 - 800-315-4757

J J WFHM 10/07/2015 04/04/2003 \$225,000 \$0 \$0 99 0 0 0 Mtg/As Agreed
 *****24 09/01/2015 180M EQX/EXP/TUC
 Paid: 09/2015
 CLOSED OR PAID ACCOUNT/ZERO BALANCE / REAL ESTATE MORTGAGE
 3476 Stateview Blvd - Fort Mill, SC 29715 - 800-262-5294

COLLECTIONS

C I CHOICE RECOVERY 06/05/2022 05/29/2020 \$187 \$187 \$187 23 0 0 0 Inst/Collection*
 *****25 06/05/2022 1M EXP/EQX/TUC
 Closed: 05/2020
 Collection Department / Agency / Attorney / CollAcct / CREDITOR: MEDICAL PAYMENT DATA
 1550 Old Henderson Rd St - Columbus, OH 43220 - 866-300-5590

Whose: B-Borrower, C-Coborrower, J-Joint

EOA: A-Authorized User, C-Joint, I-Individual, J-Joint, M-Primary Borrower, P-Participant, S-Cosigner, T-Terminated, U-Undesignated, X-Deceased

Account Type: CL-Line of Credit, Inst-Instalment, Mtg-Mortgage, Open-Open, Rev-Revolving, Unkn-Unknown



Public Records

This Section Includes :

Bankruptcies

Foreclosures

Tax Leins

Judgements

Account Type: CL-Line of Credit, Inst-Installment, Mtg-Mortgage, Open-Open, Rev-Revolving, Unkn-Unknown

Public Records

THE REPORTING BUREAU CERTIFIES THAT: public records have been checked for bankruptcies involving the subject(s) were obtained directly through the repositories used, or by direct searches, or a public records search firm other than the repository, or by all methods with the following results:

PUBLIC RECORDS LEARNED: NONE on this file, see additional variations

Inquiries (Last 4 Months)

●●● Inquiries (Soft and Hard)

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PUBLIC RECORDS LEARNED: NONE

Inquiries (Last 4 Months)

Date	Name	Subscriber Code	Reported On	ECOA
09/02/2020	CIBMS P.O. Box 26776 West Haven, CT 06516 203-931-2020	Z 419063	TUC-A1	Individual
08/19/2020	CBD 530 Riverside Dr Salisbury, MD 21801 410-742-9551	Z 49997	TUC-A1	Participant
08/19/2020	CREDIT PLUS 530 Riverside Dr Salisbury, MD 21801 301-742-9551	1971155	EXP-A1	
08/19/2020	CBOFDELMAR	243ZB00420	EQX-A1	
06/19/2020	FIRST USA,NA 201 N Walnut St Fl 6 Wilmington, DE 19801 800-622-6528	1203600	EXP-A1	

●●● Contact Info for Creditors

Creditors

+ AMEX P O Box 297871, Fort Lauderdale, FL 33329	1229200	800-528-4800
+ AMEX P.O. Box 7871, Fort Lauderdale, FL 33329	402BB48257	800-635-5955
+ BARCLAYSBK 1007 Orange Street Suite 1541, Wilmington, DE 19801	458BB06945	888-232-0780
+ BK OF AMER 450 American St, Simi Valley, CA 93065	180FM00931	800-669-6607
+ BMW FIN 5515 Park Center, Dublin, OH 43017	667BB33570	800-578-5000
+ CALIBER 715 S Metropolitan Ave, Oklahoma City, OK 73108	625FZ10323	800-401-6587
+ CAP ONE PO Box 85015, Richmond, VA 23285	850BB01498	800-955-7070
+ CENTRAL LOAN ADMIN & R	1811002	877-680-5583
+ CHOICE RECOVERY 1550 Old Henderson Rd St, Columbus, OH 43220	1986151	866-300-5590
+ CITI P.O. Box 6500, Sioux Falls, SD 57117	906BB00040	800-950-5114
+ CITI P.O. Box 6500, Siou Falls, SD 57117	906BB00289	800-950-5118
+ CITIBANKNA P O Box 790022, St Louis, MO 63179	654BB14120	800-685-0935
+ DISCOVER PO Box15316, Wilmington, DE 19850	155BB03747	800-347-2683
+ DITECH FIN 500 Landmark Tower, St Paul, MN 55102	613FM18073	800-737-1192
+ EQUIFAX MORTGAGE SER	444ZB02987	
+ FAY SERVIC	151FM41547	312-780-2196
+ JPMCB CARD	458ON13374	800-955-9900

...

Repairing or Building Credit

...



What are Credit Privacy Numbers?

- CPN's are FRAUD
- AKA Credit Profile or Secondary Credit Number
- NOT issued by any government agency.
- Ads: "a place holder for your SS#"
- Ads: "keeps personal information private"
- Often a stolen Social Security number.
- **Do Not Commit Identity Theft**
- **Do Not Commit Credit Fraud**



CPN's - Can you get a new SS#?

You can only get a new SS# if ...

- More than one person is assigned or is using the same SSN
- Someone is being harassed, abused or their life is in danger.
- A victim of identity theft is having ongoing issues as a result of using their original SSN
- Sequential SSNs assigned to members of the same family are causing problems .
- You have religious or cultural objections to numbers or digits in your original SSN

... **FREEZE YOUR CREDIT.**



LOOK FOR MISTAKES

- ✓ Personal Identifying Info
- ✓ Identifying Info
- ✓ Phantom Accounts
- ✓ Aged Accounts
- ✓ Judgements or Collections



CONTACT THE BUREAUS

The Equifax logo is a red circle containing the word "EQUIFAX" in white, bold, italicized capital letters with a registered trademark symbol.

EQUIFAX

Experian

P. O. Box 2002

Allen, TX 75013

888 -397-3742

www.experian.com



Equifax

P. O. Box 740241

Atlanta, GA 30374

800 -685 -1111

www.equifax.com/fcra



TransUnion

P. O. Box 1000

Chester, PA 19016

800 -888 -4213

www.transunion.com

Bureau Dispute Timeline



Send your dispute letter to the credit bureau via certified mail (with a return receipt requested)



If the credit bureau doesn't respond within 30 days, they violate the Fair Credit Reporting Act



As long as the dates on your credit report show that the old account should have already been removed, your dispute should go smoothly, but sometimes reports show an inaccurate delinquency date



Make sure you're not confusing the credit reporting time limit with the statute of limitations on debt



Collections

Internal Collectors



Works for the company you owe. Their internal collections team will contact you about debt, leading up to the charge-off stage. **Not regulated by the Fair Debt Collection Practices Act.**

Third Party Collectors

Takes over the account for of the original creditor. Represents traditional collections as most of us think of it and is regulated by the Fair Debt Collection Practices Act (FDCPA). **30 days to dispute accuracy of debt!**

Debt Buyers

Buy old accounts in debt portfolios for pennies on the dollar. They are legally allowed to collect the debt until the statute of limitations runs out.

Should I PAY??



Who is Collecting?

Paying internal collections before they hit your credit report = smart idea.

When Will It Fall Off My Report?

Paying may or may not benefit your score.

Debt Doesn't Disappear

Debts can still be pursued in court after falling off your report.



Your Legal Rights



Consumer Credit Protection Act

Equal Credit Opportunity Act 

Federal Wage Garnishment Law (Title III)

Truth in Lending Act 

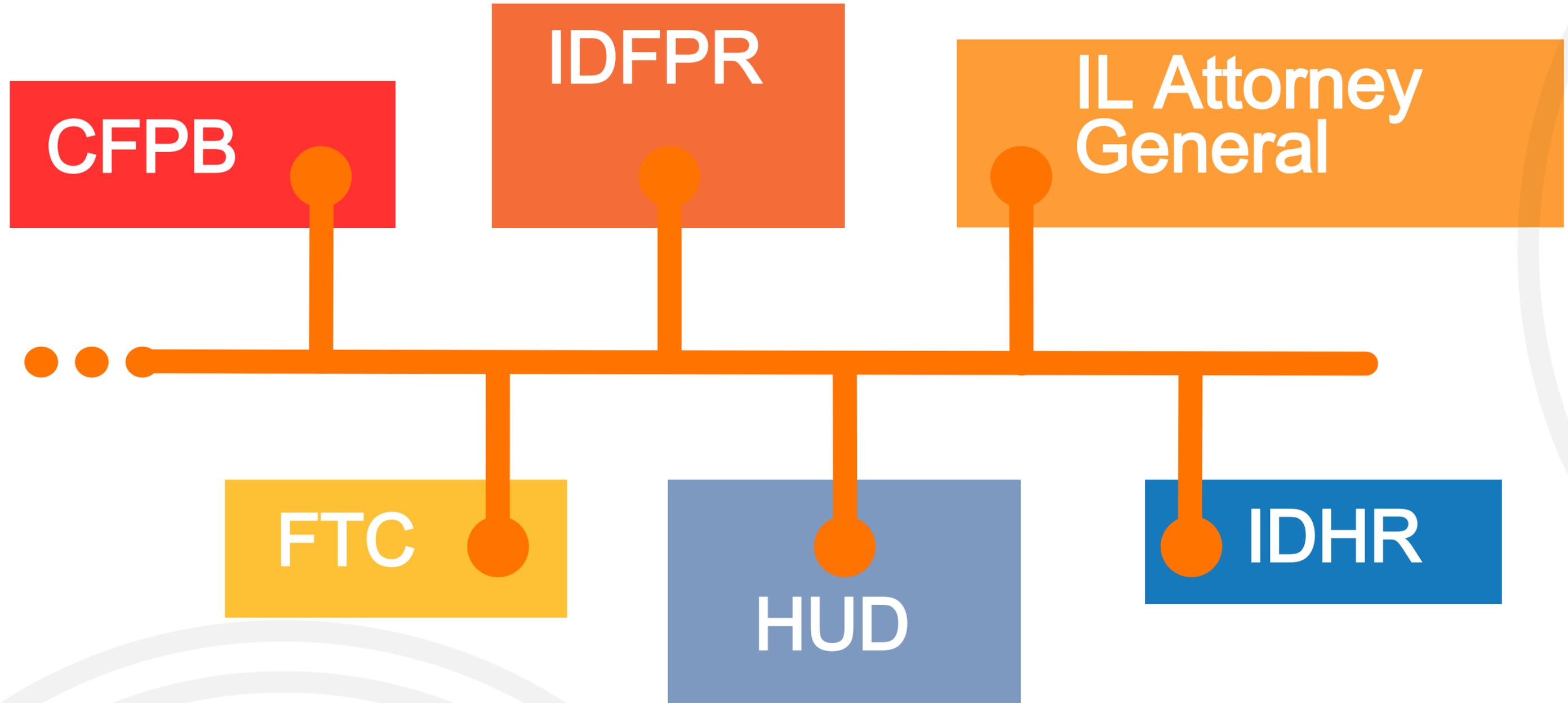
Fair Credit Billing Act 

Fair Credit Reporting Act 

Fair Debt Collection Practices Act 

Electronic Fund Transfer Act

How Do I Report a Violation?



Q&A

