TTCU Federal Credit Union

CREDIT BUILDING GUIDE



Building credit? We're here to help!



> Over the past four years, TTCU has helped me raise my credit score over 100 points! Now I can apply to buy a home!" — Gloria J.

CREDIT BUILDING

Q. What's a number that's important to your financial health and can go up or down according to how you manage your money?

A. Your credit score.

We've all had meaningful numbers throughout our lives – addresses, phone numbers, passcodes … But the number that seems to surpass all others in importance, especially when money is involved, is the all-important credit score.

CREDIT SCORES DON'T HAVE TO BE SCARY.

That's where we come in.

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Read on!

These facts and tips from our TTCU Federal Credit Union experts and credit resources will break down the importance of credit and how you can build it to achieve and maintain a healthy credit score.

> "TTCU has had a huge impact for many years of my life, helping me save money and build up my credit score." — Stefanie R.



THE CREDIT BREAKDOWN

BEFORE WE GET TOO FAR, IT'S IMPORTANT TO UNDERSTAND THESE TERMS:

Credit history — All the information, such as credit accounts, balances due and details of your payment history, contained in your credit report.

Credit inquiry — A check on your credit, commonly known as a "credit pull." These happen when there's a legally permitted request from a person or organization to see your credit report. There are two types of credit inquiries: hard and soft.

Credit mix — Your portfolio of credit accounts, such as car loans, credit cards, student loans, mortgages or other credit products. This can show how well you handle a wide range of credit accounts.

Credit report — A detailed breakdown of your credit history prepared by a credit bureau.

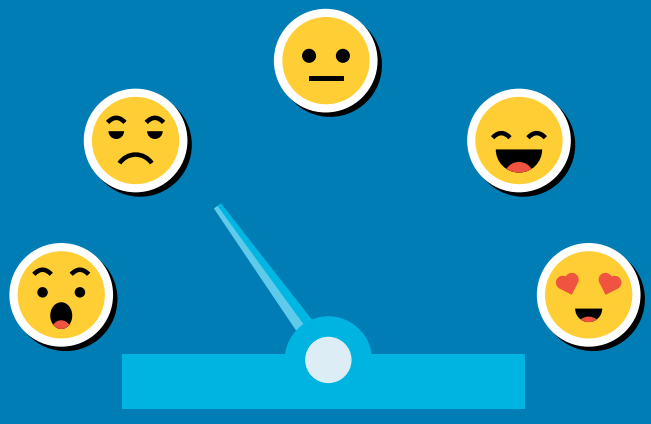
Credit score — The number representing your credit worthiness. It provides lenders a quick way to see if you are likely to pay back a loan. It helps them decide whether to lend you money and if so, what percentage to lend.

Installment credit — Loans on which you make fixed payments over a set period of time. Think student loans, personal loans, mortgages, etc.

Revolving credit — A credit account that lets you repeatedly borrow money up to a set limit and pay it back over time. Typically associated with credit cards, but can include some types of home equity loans.

Credit scores range from 300 to 850

700 is considered good and 750+ is considered excellent



HARD CREDIT INQUIRY VS. SOFT CREDIT INQUIRY

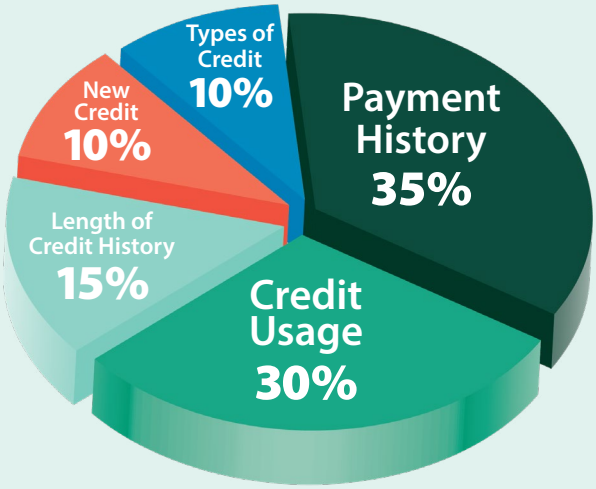
Hard credit inquiries may impact your credit score and stay on your credit report for a couple of years. These appear on your credit report when a lender checks your credit in response to an application for a new loan, credit card or line of credit.

Soft credit inquiries won't affect your credit score. These may appear on your credit report (depending on the credit company) when someone runs a credit check for reasons unrelated to lending you money, like a background check from a potential employer, or when you check your own credit score.



WHAT'S CALCULATED IN YOUR CREDIT SCORE?

- Payment History
- Credit Usage
- Length of Credit History
- Credit Mix and Types
- Recent/New Credit



Experian.com

Exact criteria used by each scoring model varies.

"TTCU has been helpful with building my credit by advising me on how to build it through a shared secure loan, as well as helping me buy my first home." — Rachel F.

YOUR SCORE

How does your credit score affect you?

Your score makes a difference not only in your rate for **car loans**, **home loans** and **credit cards**, but also impacts everything from car insurance rates to whether you have to pay a utility deposit. **Future employers may even check your credit when deciding whether to offer you a job.**

TIPS FOR BUILDING YOUR CREDIT:

Is your credit score not where you want it to be? Don't feel discouraged – it can always change! Here are some helpful tips to help you build your credit.

- **Pay bills on time** — Missed payments can affect your credit score, try to set calendar reminders to help you avoid missing payments. Your payment history is the most important factor in credit scoring.
- **Get caught up on any past-due accounts** — If you have any accounts that are past due, such as collections or charge-offs (debt that a lender has given up trying to collect on), work to get your payments up to date.
- **Use credit wisely** — Try to have more available credit than you're using and reduce balances on revolving accounts. The lower your credit utilization rate, the better. If you can, pay off your credit card balance each month.
- **Keep old accounts open** — Canceling old accounts can bring down the average age of your credit. Generally, the longer your credit history, the higher your score.
- **Limit credit inquiries** — Try not to open too many accounts close together (think: only one new account in a six-month period).

Credit building advice is a combination of facts and tips from TTCU experts and Experian.com.



THE 4-1-1 ON CREDIT UTILIZATION

Your credit utilization is calculated by taking the total of all your credit card balances and dividing it by the total of all your credit card limits.

(Tip: Credit utilization above 30% can start to bring down your score. Strive to keep yours below 10% for your best possible score.)



> TTCU gave me the tools to fix my credit."
>
> — Andrew R.

YOUR CREDIT DOESN'T HAVE TO BE A MYSTERY!



CHECK YOUR REPORTS ANNUALLY.

There are three main credit reporting companies: Equifax, Experian and TransUnion. Each are required by federal law to provide you with a free copy of your credit report weekly. You can obtain your reports at AnnualCreditReport.com. Check for errors and immediately report any you find.



CHECK YOUR SCORE WITHOUT LIMITS.

Always know where you stand with your credit by checking your score every time you log into TTCU online banking.

With this free tool in online banking, you can:

- **Keep track** of your score to help you manage your credit.
- **Monitor** your credit score monthly or refresh it anytime you want.
- **Get notified** by email of any big changes to your credit history.

It's secure, easy and will never lower your score.



TAKE ADVANTAGE OF OUR FREE MONEY MANAGER*.

It's a simple, convenient way to keep your finances in order and can be used inside online or mobile banking.

- **Simple —** Build your budget, watch your spending and stay on track.
- **Convenient —** See accounts from all your financial institutions in one place.
- **Secure —** All the security benefits of our online and mobile banking platforms.

**Message and data fees may apply from your wireless carrier.The credit score provided is intended to help you understand the factors that affect your credit score, and ways you may be able to save money with TTCU Federal Credit Union loan products.*

TTCU Federal Credit Union

WE'RE HERE FOR YOU!

Need some extra help building your credit? We're here to help! We have financial coaches available at our branch locations, and they'll get you on the best financial track for you and your situation.

EQUAL HOUSING LENDER

Each member's rates, products and eligibility are based on individual circumstances. All offerings, rates and approvals are based on members' information provided to the credit union at application.

FEDERALLY INSURED BY NCUA.