
UNDERSTANDING CREDIT

MARCUS GUINN
EVP & LOAN MANAGER
501-379-7238
MGUINN@ARVEST.COM

UNDERSTANDING CREDIT

- Arvest Bank wants you to know about your credit score, how it is used, and how you can maintain good rating.
- We will be glad to discuss financial solutions with you.
- We are not credit counselors. We cannot advise you on your specific situation.

CREDIT BUREAUS

Credit Bureau

'kredət 'byoōrō/

noun

noun: credit reference agency; plural noun: credit reference agencies; noun: credit agency; plural noun: credit agencies; noun: credit bureau; plural noun: credit bureaus

A company that collects information relating to the credit ratings of individuals and makes it available to credit card companies, financial institutions, etc.



ARVEST®

Member FDIC

SAMPLE CREDIT REPORT

SAMPLE CREDIT REPORT Report Date: 5/10/2018		Report Number: 123456
PERSONAL CONSUMER INFORMATION		
SSN #: XXX-XX-6789 (Your SSN has been masked for your protection)		
DOB: 01/01/1988		
Names Reported: John Doe John Q. Doe	Telephone Numbers Reported: 555-555-5555 555-123-4567	
Addresses Reported: 123 Oak St. Anytown, WI. 11111 111 Miller St. Hometown, WI. 33333 333 1st St. Townville, MN. 22222	Date Reported: 08/02/2013 06/06/2010 03/15/2007	
EMPLOYMENT RECORDS		
Employer Name: Dairyland Company	Location: Anytown, WI	
Date Reported: 09/2013	Hire Date: 07/2013	

The **PERSONAL CONSUMER INFORMATION** includes identification, as well as current and past addresses. This data comes from the information given to creditors.

TIP: Make sure this information is correct. A wrong address or phone number could be a mistake – or a sign of identity theft.

SAMPLE CREDIT REPORT

PUBLIC RECORDS INFORMATION

This information was collected from public records sources by Sample Credit Report or a company we hired.

REGIONAL FEDERAL COURT Docket # XYZ789
111 Court Street, Capital City, WI 55555

Account Number: ***9514

Type: Chapter 7 Bankruptcy

Status: Filed

Date Reported: 04/2013

Closing Date: 07/2013

Filed as: Individual Account

Liability: \$35,000

Exempt Amount: \$5,000

Asset Amount: \$10,000

Paid: \$2,000

Estimated month and year that this item will be removed: 04/2023

PUBLIC RECORDS INFORMATION

is data collected from court records and is viewed negatively by lenders. This section includes bankruptcies. Other public records for civil judgments and tax liens have recently been removed from credit reports, but could appear in other types of reports.

ARVEST[®]

Member FDIC

SAMPLE CREDIT REPORT

ADVERSE ACCOUNTS

Adverse information typically remains in your file for up to 7 years from the date of delinquency.

American Hospital Collections Acct #: 10254688

PO Box 999, Townsburg, WI 11111
(555) 123-1234

Date Placed for Collection: 07/01/2016

Responsibility: Individual Account

Type: COLLECTION AGENCY/ ATTORNEY

Original Amount: \$302

Original Creditor: REGIONAL HOSPITAL OP
(Medical/Health Care)

Balance: \$0

Date Paid: 11/14/2016

Pay Status: >Account paid in full;
was a Collection<

Date Updated: 02/01/2017

Remarks: >Paid Collection<

Estimated month and year that this item will be removed: 1/2023

Urgent Care Collections Acct #: 1234XYZ9

999 Business Road, Hometown, MN 11111
(555) 555-9999

Date Placed for Collection: 02/15/2013

Responsibility: Individual Account

Type: COLLECTION AGENCY/ ATTORNEY

Balance: \$0

Date Closed: 06/2013

Pay Status: >Account included in

ADVERSE

ACCOUNTS show lines of credit that have not been paid, have missed or late payments, were sent to a collection agency, or were "charged off" meaning that the company reported the debt as lost income and may have sold the debt to a collection agency. A history of late payments lowers your credit score, especially if it's more recent. Many lenders will not offer credit until overdue debts have been paid.

ARVEST®

Member FDIC

SAMPLE CREDIT REPORT

SATISFACTORY ACCOUNTS		Code	OK=paid as agreed	X=not reported	30/60/90= days late	Blank=no data available																																																				
<p>Automobile Finance Inc. Acct #: 70705606 456 Drivers Lane, Big City, IL 66666 (555) 555-9876</p> <p>Date Opened: 03/22/2016 Balance: \$6,580 Responsibility: Individual Account Last Payment Made: 05/01/2018 Account Type: Installment Account Payment Received: \$240 Type: Automobile High Balance: \$12,400 Pay Status: Current; Paying as Agreed Terms: \$240 per month; paid Monthly for 60 months</p> <p>Remark: Open; one 30-day late payment</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>July</th> <th>Aug</th> <th>Sept</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>OK</td> <td>X</td> <td>OK</td> <td>OK</td> <td>OK</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2017</td> <td>OK</td> <td>OK</td> <td>OK</td> <td>OK</td> <td>OK</td> <td>OK</td> <td>OK</td> <td>OK</td> <td>X</td> <td>OK</td> <td>OK</td> <td>OK</td> </tr> <tr> <td>2016</td> <td></td> <td></td> <td></td> <td></td> <td>OK</td> <td>30</td> <td>OK</td> <td>OK</td> <td>OK</td> <td>OK</td> <td>OK</td> <td>OK</td> </tr> </tbody> </table>							Year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	2018	OK	X	OK	OK	OK								2017	OK	OK	OK	OK	OK	OK	OK	OK	X	OK	OK	OK	2016					OK	30	OK	OK	OK	OK	OK	OK
Year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec																																														
2018	OK	X	OK	OK	OK																																																					
2017	OK	OK	OK	OK	OK	OK	OK	OK	X	OK	OK	OK																																														
2016					OK	30	OK	OK	OK	OK	OK	OK																																														
<p>Convenient Credit Card Acct #: XXXXX3333 PO Box 2233, Great Prairie, ND 77777 1-800-555-2233</p>																																																										

The **SATISFACTORY ACCOUNTS** section shows credit accounts that are current or have been paid as agreed. The accounts listed are from information reported by lenders. Creditors choose whether to report account information to none, one, two, or all three of the major Credit Reporting Agencies and how often to report. Having satisfactory accounts that you pay the balance on regularly is good for your credit score.

ARVEST®

Member FDIC

SAMPLE CREDIT REPORT

CREDIT INQUIRIES

REGULAR INQUIRIES

Regular inquiries are posted when someone accesses your credit information from Sample Credit Reports. These inquiries will remain on your credit file for up to 2 years.

Convenient Credit Card

PO Box 2233, Great Prairie, ND 77777
1-800-555-2233

Requested on: 11/18/2017

Inquiry Type: Individual

A1 Insurance Coverage

1234 Business Park Road, Townsquare, IL 66666
(555) 555-1111

Requested on: 10/01/2017

Inquiry Type: Individual

Automobile Finance Inc.

456 Drivers Lane, Big City, IL 66666
(555) 555-9876

Requested on: 3/22/2016

Inquiry Type: Individual

The **CREDIT INQUIRIES** section includes information about when a credit report has been requested. There are two types of inquiries:

REGULAR INQUIRIES are also known as **HARD** inquiries. When you apply for credit or buy insurance, for example, the lender reviews your credit report for a positive history and credit worthiness. These inquiries stay on a report for 2 years and can be seen by all creditors who look up your report. Hard inquiries can drop a credit score by 5-20 points for many months.



FICO® SCORE

Your credit rating is drawn from your credit report. A good rating helps you reach financial goals; a poor rating limits your financial opportunities.

- **800+ EXCEPTIONAL** – Well above the average score of U.S. consumers. Demonstrates to lenders you are an exceptional borrower.
- **740 – 799 VERY GOOD** – Above the average of U.S. consumers. Demonstrates to lenders you are a very dependable borrower.



Information source: myfico.com

ARVEST®

Member FDIC

FICO® SCORE

- **670 – 739 GOOD** – Near or slightly above the average of U.S. consumers. Most lenders consider this a good score.
- **580 – 669 FAIR** – Below the average score of U.S. consumers. Though many lenders will approve loans with this score.
- **<580 POOR** - Well below the average score of U.S. consumers. Demonstrates to lenders that you are a risky borrower



Information source: myfico.com

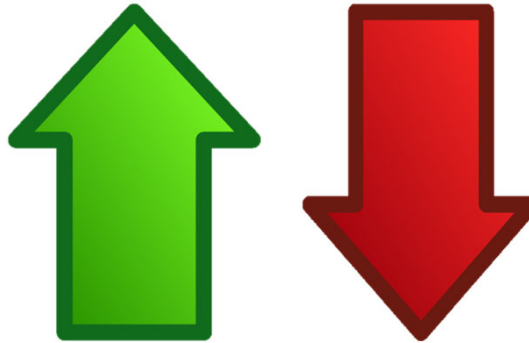
ARVEST®

Member FDIC

WHAT AFFECTS YOUR FICO® SCORE

Helps your FICO® Score:

- 20%-30% Credit Utilization
- 2-3 Lines of Credit
- On time Payments
- Long standing Credit History
- History of paid off loans



Hurts your FICO® Score:

- Credit Lines Maxed Out
- Several Credit Cards
- Late payments
- No Credit History
- History of Default Loans

WHO CAN VIEW YOUR CREDIT REPORT

Creditors

- Lenders
- Car Dealerships
- Credit Card Providers

Employers

You

- www.annualcreditreport.com



ESTABLISHING CREDIT

Establishing or Reestablishing credit takes work and time.

Do not payoff the full balance until you receive your statement

Once you receive your statement payoff the statement amount to avoid interest charges

In some situations, co-borrowers may be required.



ARVEST®

Member FDIC

TYPES OF CREDIT

Installment Credit

- Car Loan
- Boat/RV Loan
- Unsecured Loan
- CD Secured Loan
- Mortgage

Revolving Credit

- Credit Card
- Secured Credit Card
- Personal Lines of Credit
- Home Equity Line of Credit



THE IMPORTANCE OF INSTALLMENT

Installment Credit allows the borrower to receive a lump sum of money upon approval from the lender.

Debt is generally paid in set monthly increments.



THE IMPORTANCE OF REVOLVING CREDIT

Revolving credit allows the borrower access to money without having to apply for it every time.

Debt can be borrowed again once it is repaid.

Funds available when you need it.

Flexibility of use & repayment.



HOME EQUITY LINES OF CREDIT

A Home Equity Line of Credit is a form of revolving credit in which your home serves as collateral.

- Large Purchasing Needs.
- Emergency Safety Net.
- Proactive Solution to Credit Needs.



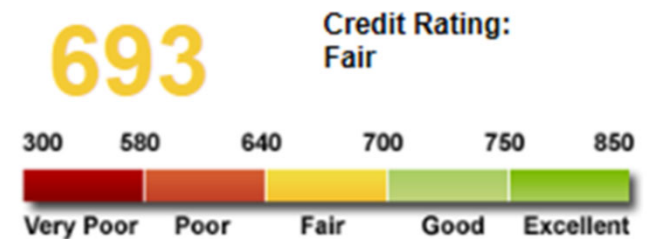
ARVEST[®]

Member FDIC

CREDIT MONITORING

Credit monitoring services can help you protect your identity and credit score.

- Credit file monitoring
- Total identity reporting
- News, resources, educations, tips
- Security
- Peace of mind



 TransUnion.

ARVEST[®]

Member FDIC

QUESTIONS?

MARCUS GUINN
EVP & LOAN MANAGER
501-379-7238 mguinn@arvest.com