



**HARVARD UNIVERSITY  
EMPLOYEES CREDIT UNION**

**Credit**

# Community Engagement Team



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# Today's Webinar

## Reducing Background Noise

We've muted all attendees to help with audio quality.

## Using the "Questions" Feature

Submit questions at any point. Let's test it!

## Presentation & Recording

This presentation is being recorded and will be posted on our YouTube channel to re-watch.

## Post-Workshop Survey

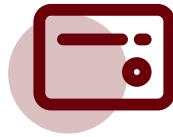
Take our post-workshop survey and let us know how we did.

# Not-For-Profit Banking for the Harvard Community



## Community Focused

HUECU exclusively serves the Harvard community and all Harvard affiliates. Once a member, always a member, even if you leave your job. When you join membership extends to all family members.



## Products & Services

Free access to ATM\* nationwide. Credit cards with cash back rewards. Home loans for purchases and refinancing, Student Loans and refinancing options, auto loans and more.



## Access Anywhere

Convenient locations and Online Banking. Mobile banking and Apple Pay ready. Access to the nationwide CO-OP Shared Branching Network.

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# How Credit Works

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# Credit Score Impact

If your credit improves, you may be eligible to refinance your debt.

CREDIT SCORE	APR	MONTHLY PAYMENT	ADDITIONAL COST IN A YEAR	ADDITIONAL COST AFTER 3 YEARS
720-850	4.23%	\$741	\$0	\$0
690-719	5.68%	\$757	\$192	\$576
660-689	7.73%	\$780	\$468	\$1,404
620-659	11.29%	\$822	\$972	\$2,916
590-619	16.28%	\$882	\$1,692	\$5,076
500-589	17.71%	\$900	\$1,908	\$5,724
<500	Not Eligible	---	---	---

\*Source: Myfico.com – 36 month car loan - \$25,000

# What is credit?

Utilizing a loan now (e.g. education, car or home) and paying for it over a period of time.

# What is NOT credit?

Credit is NOT paying for something using debit or income based funds.



# Credit Bureaus



## Three Major Bureaus

Experian, Transunion and Equifax may have different information on each consumer based on what is reported to each.



## Collect Information

Creditors, lenders, utilities, debt collection agencies, the courts, amongst other sources.



## Individual Consumers

This information is on each individual consumer comes from creditors, lenders, debt collection agencies, and possibly utility companies on individual consumers.





# Credit Reports

Credit reports show lenders your credit history.

## Debt

Credit card debt, auto debt, education debt, and other debts

## Collections

Any time you are sent to collections, it will be added to your credit history.

## Payment History

Historical view of on-time and late payment.

## Account History

Any open or closed accounts at any financial institution.

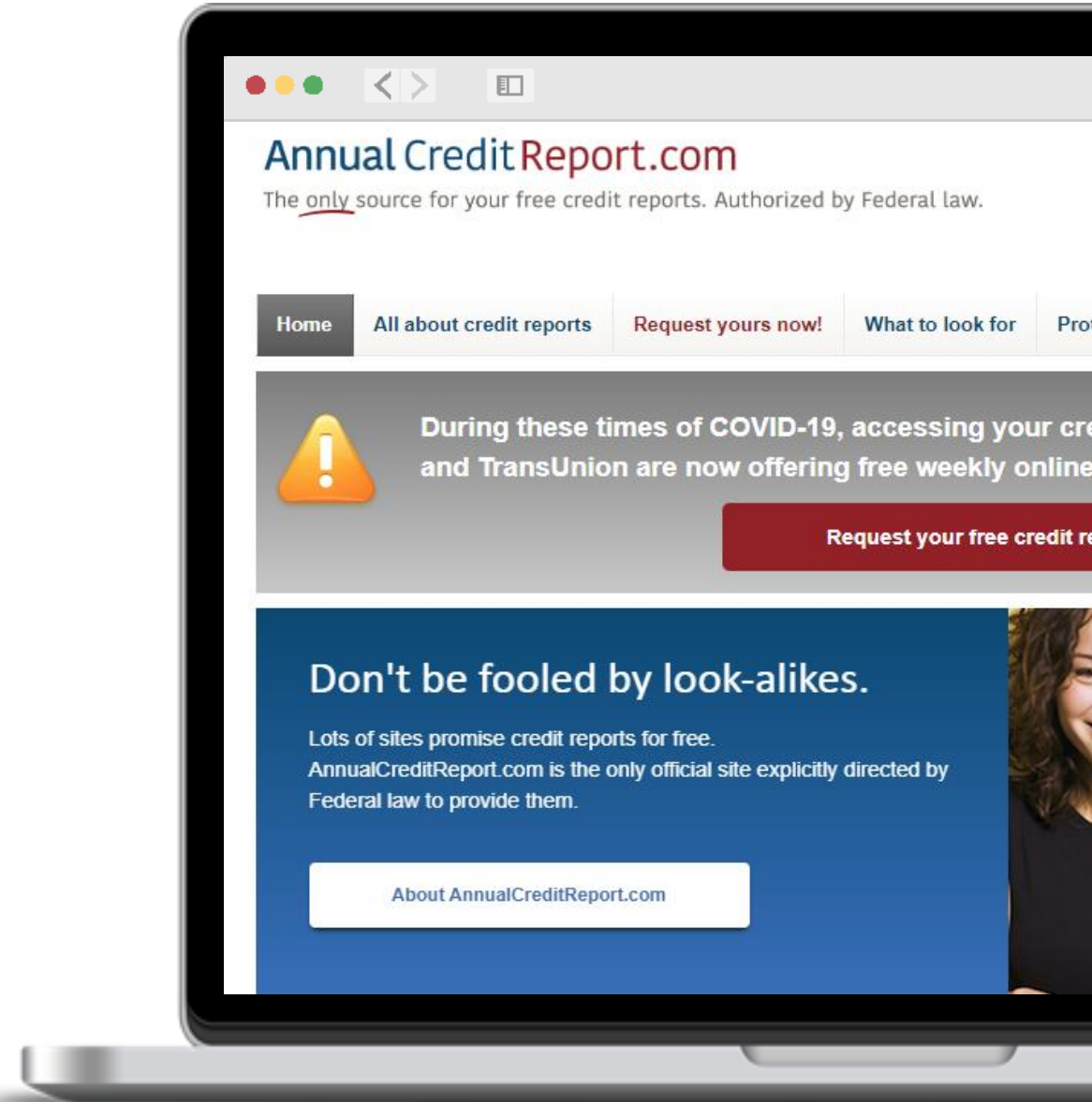
## Request History

You can check your credit report once a year on [annualcreditreport.com](https://annualcreditreport.com)

# Free Credit Report

Request your credit report today.

## ANNUALCREDITREPORT.COM



# Sample Credit Report

HARVARD UNIVERSITY EMP / [REDACTED] / NU - Credit Card - Credit Union																		
Open Date	Credit Limit	High Balance	Status Date	Past Due	Last Paid Date	Scheduled Payment	Balance Date	Current Balance										
09/12/2003	\$5,500	\$5,429	11/2017		11/13/2017	\$127	11/28/2017	\$4,216										
Account Condition:	Open					Account #:	[REDACTED]											
Payment Status:	Current					Responsibility:	Individual											
Account Type:	Credit Card, Terms REV					Account Terms:	Revolving											
Payment History: (Up to 25 months)		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Delinquency Counter: (Past 7 years)	30	60	90+	Derog
	2017	C	C	C	C	C	C	C	C	C	C	C		0	0	0	0	
	2016	C	C	C	C	C	C	C	C	C	C	C	C					
	2015											C	C					
														Worst Delinquency:				
														Worst Delinq Date:				
														Months Reviewed:	99			

# Sample Credit Report

*COMCAST / [REDACTED] YC - Other Collection Agencies																		
Open Date	Original Amount	Status Date	Past Due	Last Paid Date	Balance Date	Current Balance												
07/04/2015	\$310	08/2015	\$310		07/08/2016	\$310												
Account Condition:								Account #:	[REDACTED]									
Payment Status:	Seriously past due							Responsibility:	Individual									
Account Type:	Collection Department/Agency/Attorney							Account Terms:	1 Month									
Payment History: (Up to 25 months)		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Delinquency Counter: (Past 7 years)	30	60	90+	Derog
	2016	-	-	-	-	-	-	9						0	0	0	4	
	2015								9	9	-	-	9					
														Worst Delinquency:				
														Worst Delinq Date:				
														Months Reviewed:	12			

# Credit Report Timing

Open accounts in good standing	<b>Indefinitely</b>
Closed accounts in good standing	<b>10 Years</b>
Chapter 7 bankruptcy	<b>10 Years</b>
Unpaid tax liens*	<b>10 Years</b>
Civil judgments*	<b>7 Years</b>
Late or missed payments	<b>7 Years</b>
Chapter 13 bankruptcy	<b>7 Years</b>
Collection accounts	<b>7 Years</b>
Paid tax liens	<b>7 Years</b>
Credit inquiries	<b>2 Years</b>

\*As of July 1, 2017 only included if social security number or date of birth matches consumer's name and address.

# How to Dispute **Errors** on Your Credit Report

Visit [consumer.ftc.gov](https://consumer.ftc.gov) for sample letters.



## Contact Credit **Bureau**

The dispute must be in writing and the bureau has 30 days to begin investigation.



## Contact your **Lender**

Contact the lender in question to make sure they have record of all your payments.



## Follow **Up**

You may need to follow up with the credit bureau or lender to check-in

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# What To Do If Your Information Is Compromised

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# Fraud Alert vs. Credit Freeze

## What is a Fraud Alert?

A fraud alert notifies business to go through extra steps to verify your identity before it issues credit, so it may try to contact you.

## How to set up a Fraud Alert

Contact each of the credit bureaus to have them place an alert on your account; the alert lasts one year.



## What is a Credit Freeze?

A credit freeze restricts access to your credit report, which in turn makes it more difficult for identity thieves to open new accounts in your name.

## How to set up a Credit Freeze

To place a credit freeze on your account you need to contact each of the credit bureaus and set up a PIN. A credit freeze will last until you ask for it to be lifted.



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# Managing Your Credit Score

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# What is a **Credit Score**?

Credit Scores are the measure of your consumer credit risk for lenders.



## **Independently Managed**

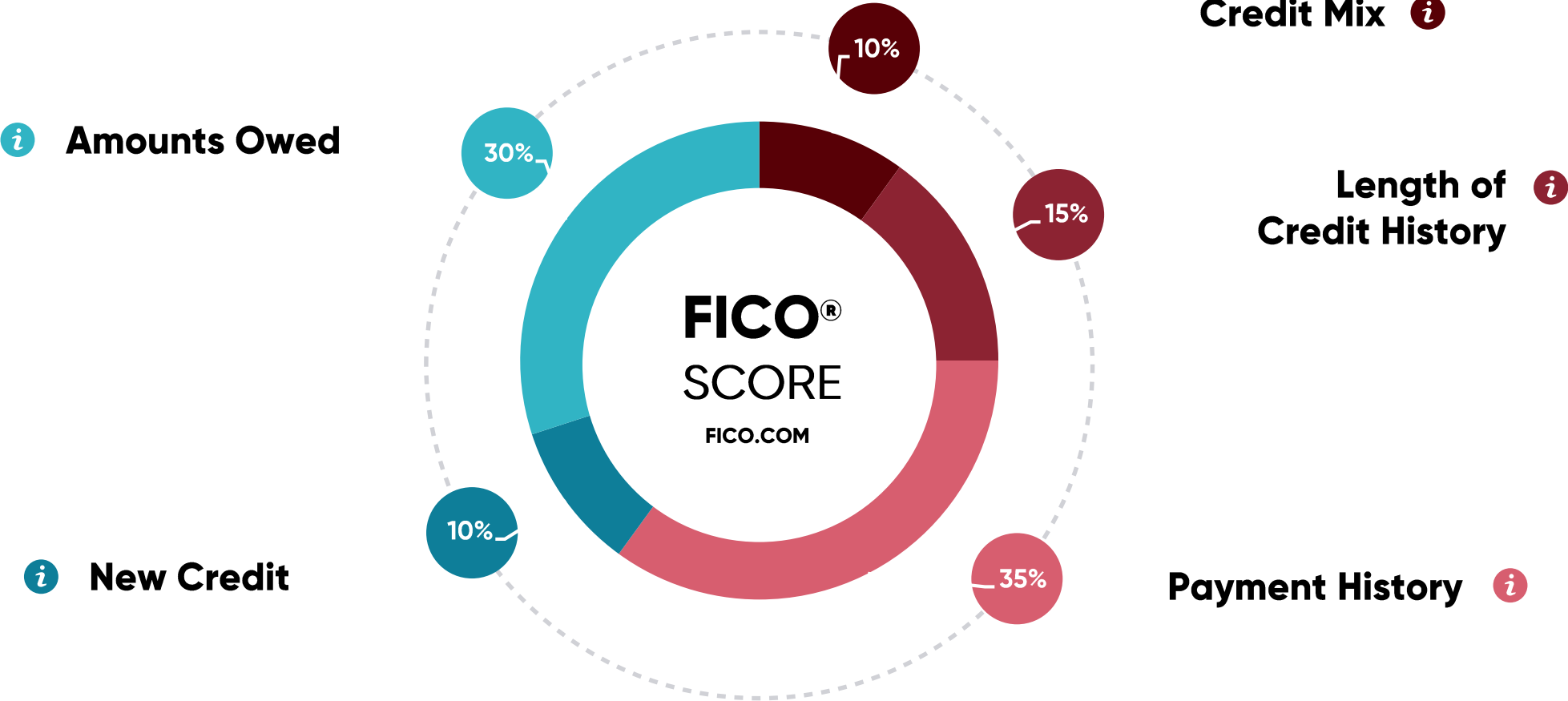
Scores are independently managed outside of credit bureaus. FICO Score and VantageScore.

<b>Excellent</b>	<b>720 +</b>
<b>Above Average</b>	<b>650 - 749</b>
<b>Fair</b>	<b>620 - 680</b>
<b>Poor</b>	<b>619 -</b>

## **Range of Scores**

Most common range of scores is 300-850.

# FICO Score

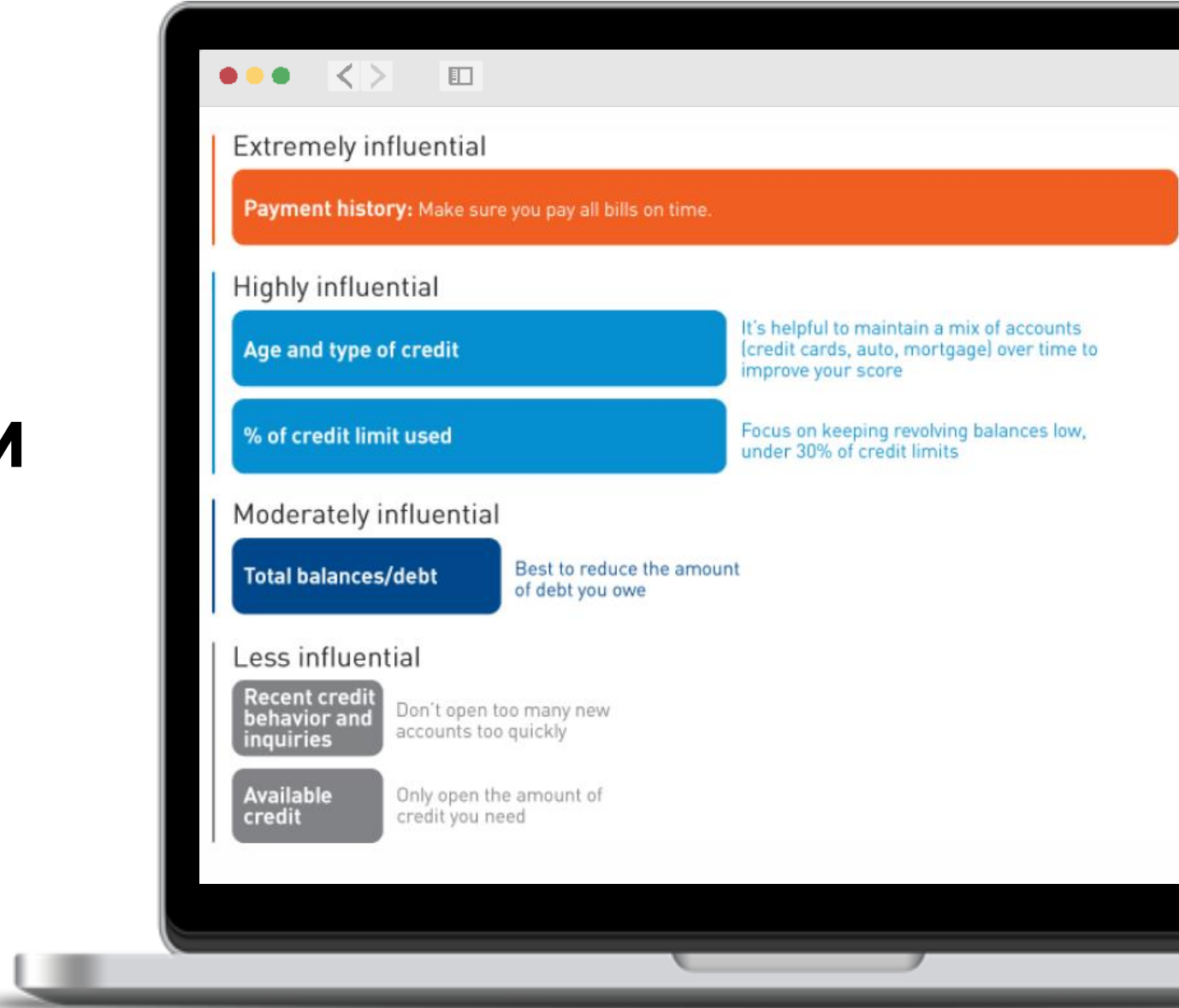


These percentages are based on the importance of the five categories for the general population. For particular groups—for example, people who have not been using credit long—the relative importance of these categories may be different.

# Vantage Score

VantageScore is another credit scoring entity.

**YOUR.VANTAGESCORE.COM**



# Sample Credit Score

## Score Summary

Risk Model	Score	Code	Score Factor Description
FICO Score 8 (Score range: 300 - 850)	488	39	Serious delinquency
		18	Number of accounts with delinquency
		10	Ratio of balance to limit on bank revolving or other rev accts too high
		13	Time since delinquency is too recent or unknown

## Score Summary

Risk Model	Score	Code	Score Factor Description
FICO Score 8 (Score range: 300 - 850)	656	16	Lack of recent revolving account information
		40	Derogatory public record or collection filed
		19	Too few accounts currently paid as agreed
		24	No recent revolving balances

## Score Summary

Risk Model	Score	Code	Score Factor Description
FICO Score 8 (Score range: 300 - 850)	748	19	Too few accounts currently paid as agreed
		32	Lack of recent installment loan information
		10	Ratio of balance to limit on bank revolving or other rev accts too high
		30	Time since most recent account opening is too short



# Options to **Improve** Your Credit Score

1

## **Secured vs. Unsecured Credit Cards**

There could be credit cards at your financial institution to help build credit, especially if you have not had credit at this point.

2

## **Special Loans**

Your financial institution could have special credit builder loans or you may want to look into debt consolidation loans.

3

## **One-On-One Financial Counseling**

Contact GreenPath Financial Wellness to talk through your options for improving your credit score.

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# Choosing a Credit Card

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## INTEREST RATES AND INTEREST CHARGES

<b>Annual Percentage Rate (APR) for Purchases</b>	<b>0.00%</b> intro APR for the first 12 billing cycles from date of account opening. After the intro APR expires, your APR will be <b>11.74%</b> to <b>17.99%</b> based on your creditworthiness. This APR will vary with the market based on the Prime Rate.
<b>APR for Cash Advances</b>	<b>11.74%</b> to <b>17.99%</b> based on your creditworthiness. This APR will vary with the market based on the Prime Rate.
<b>APR for Balance Transfers</b>	<b>0.00%</b> intro APR for the first 12 billing cycles from date of account opening. After the intro APR expires, your APR will be <b>11.74%</b> to <b>17.99%</b> based on your creditworthiness. This APR will vary with the market based on the Prime Rate.
<b>How to Avoid Paying Interest on Purchases</b>	Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month.
<b>For Credit Card Tips from the Consumer Financial Protection Bureau</b>	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="https://www.consumerfinance.gov/learnmore">https://www.consumerfinance.gov/learnmore</a> .



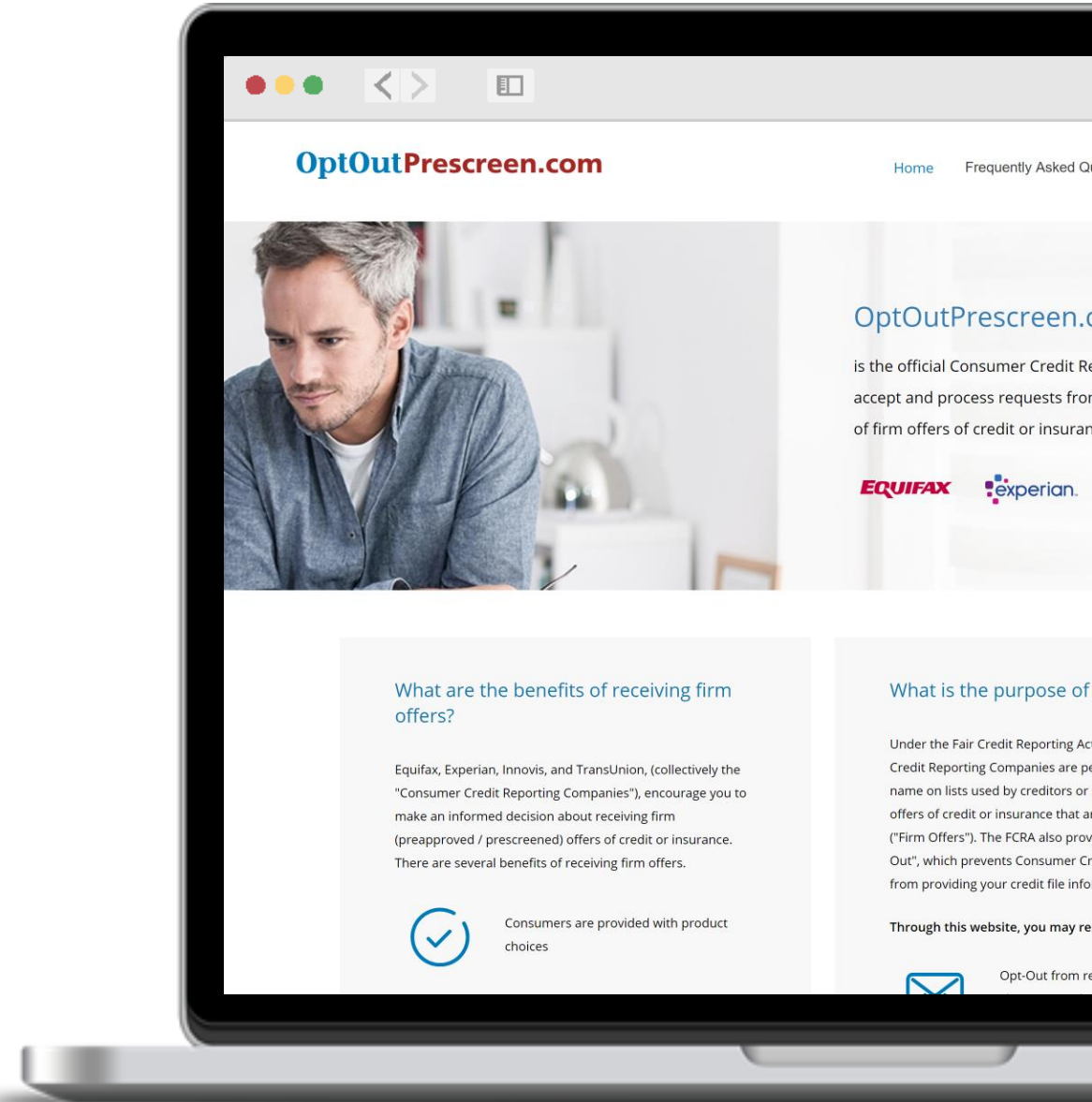
## FEES

<b>Annual Fee</b>	None
<b>TRANSACTION FEES</b>	
<b>Balance Transfers</b>	2%
<b>Cash Advances</b>	None
<b>Foreign Transactions</b>	1% of the U.S. Dollar amount of each transaction made outside the United States
<b>PENALTY FEES</b>	
<b>Late Payment Fee</b>	\$10.00 or 10% of the outstanding balance, whichever is less.
<b>Returned Check Fee</b>	\$4.50
<b>Replacement Card</b>	\$15.00
<b>Emergency Replacement Card</b>	\$50.00

# Opt Out

You can request to be removed from credit offers.

# OPTOUTPRESCREEN.COM





# Free Financial Counseling

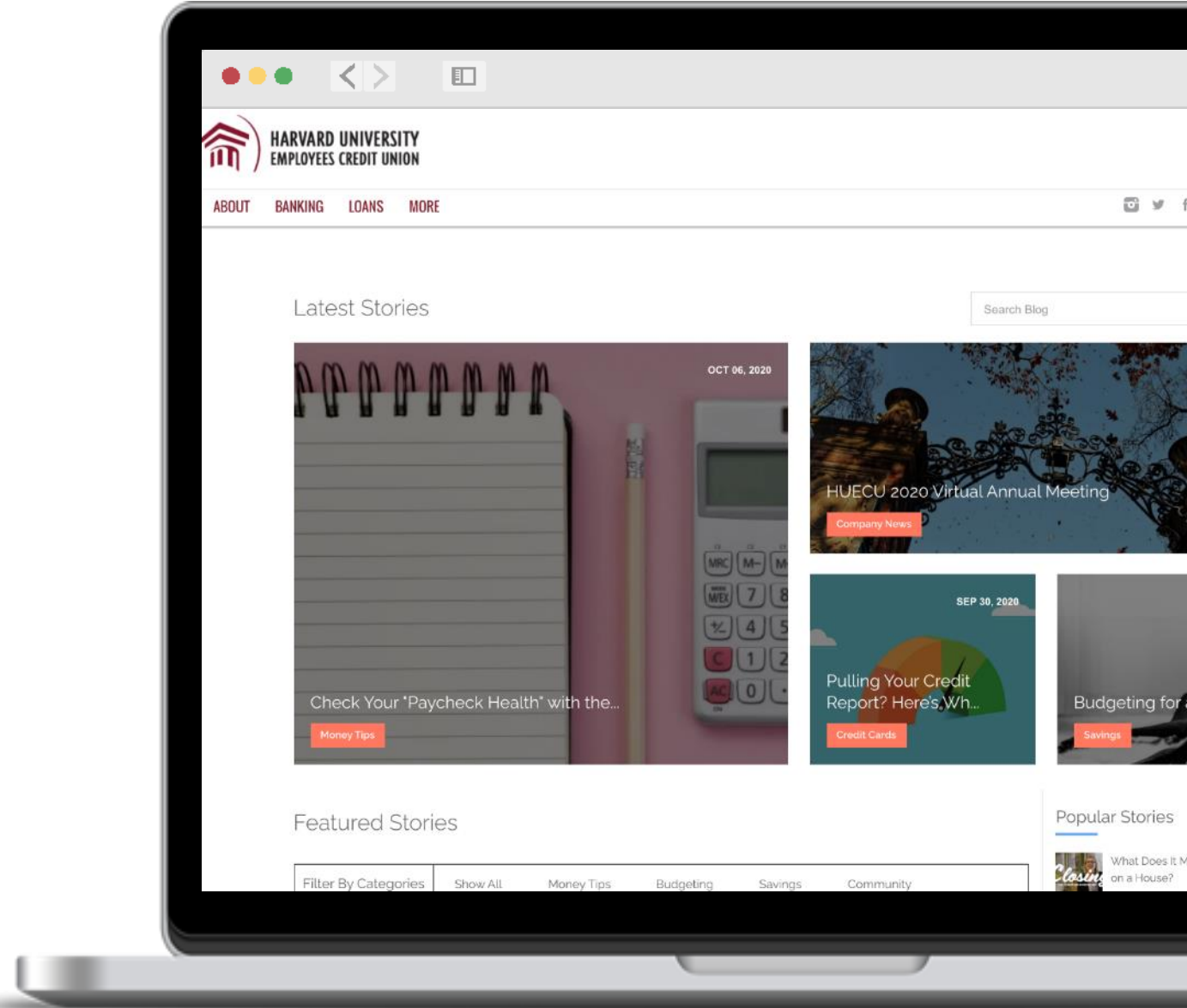
GreenPath Financial Wellness offers free credit, budget and COVID-19 counseling

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# Platinum Rewards+

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FEATURES
<b>1.5% Cash Back on All Purchases</b>
<b>0.00% Intro APR<sup>1</sup> on Purchases &amp; Balance Transfers for the first 12 months<sup>2</sup></b>
<b>Earn 10,000 Bonus Points<sup>4</sup></b>
<b>NO Annual Fee</b>
<b>NO Cash Advance Fee</b>

1. After the 12-month promotional period ends, your APR will be 13.74% to 18.00%, based on creditworthiness. This APR will vary with the market based on the Prime Rate. The Annual Percentage Rate will be calculated by adding some margin (dependent on creditworthiness) plus the Prime Rate as published in the Wall Street Journal on the last Thursday of every month. 2. First year consists of the first 12 billing cycles. 3. 0% introductory APR for 12 billing cycles following account opening on balance transfers. 4. When you spend \$500 in the first 90 days.



# Disclaimer

This presentation is a general overview of principles you may want to consider. Only you can decide what is best for you. This presentation is educational in nature and is not intended to be, and should not be construed as tax, legal or investment advice. You should always consult a certified advisor for advice on your specific situation. The examples used in this presentation are for illustrative purposes only.

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