Credit Reports

Basics On How to Read a Credit Report

(b)(3)

Objective

- Upon completion of this presentation you will:
 - * Understand Credit Report Types
 - * Review and Analyze Credit Reports

Credit Report Types

- There are three types of reports that provide data on a borrower's liabilities and payment histories
 - In-File Credit Report
 - ' Credit data is received directly from a national credit bureau
 - Data is NOT verified
 - Tri-merge Credit Report
 - Obtained from a credit reporting agency
 - · Contains data collected from three national repositories (EFX, TU, XPN)
 - Factual Credit Report
 - Obtained from a credit reporting agency
 - * Contains data collected from three national repositories (EFX, TU, XPN)
 - · Credit agency verifies certain data and conducts interview with Subject

Primary Categories of Information

- * There are four primary categories:
 - * Identifying information may include name, current/previous addresses, SSN, DOB, employers
 - * Credit history shows history of paying bills with creditors such as banks, mortgage companies
 - Public records all available public information such as judgments, foreclosures, bankruptcies
 - * Inquiries information about inquiries made during the past 120 days (Inquiries are requests made by legitimate businesses to check a borrowers credit)

What is Detailed on a Credit Report?

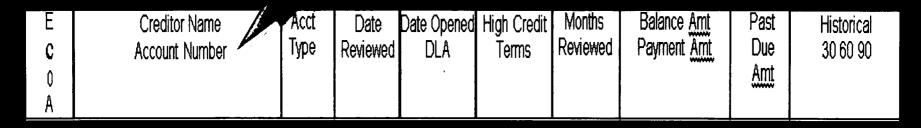
- * For each debt listed:
 - Creditor's name
 - Date account was opened
 - * Amount of highest credit or original loan amount
 - * Required payment amount of unpaid balance
 - Current status of account
 - * Payment history
 - Remarks or Special Comments detailing a loan situation (disputes, loan modifications, etc.)

Sample Credit Report Legend - ECOA



- * Equal Credit Opportunity Act Represents the borrower's relationship to that account:
 - A Authorized User
 - · I Individual Account
 - · J Joint Account
 - · M Maker
 - · S Co-Maker
 - P Participating Account
 - T Terminated
 - · X Deceased
 - U Undesignated Account

Creditor Name & Account Number



 Name of the account as reported by credit bureaus, followed by the account number

Account Two

E	Creditor Name	Acct	Date	Date Opened	High Credit		Balance Amt	Past	Historical
C	Account Number	Type ื	Reviewed	DLA	Terms	Reviewed	Payment Amt	Due	30 60 90
0								<u>Amt</u>	
A								,	

There are several kinds:

· MTG or **M**:

Mortgage

· INST or *I*:

Installation account

· AUTO or **A**:

Auto Ioan

' REV or **R**:

Revolving account

· OPEN or **0**:

Open account

· CRCD or *C*:

Credit card

. COLL:

Account is in Collections

· EDU:

Education account

· COSI:

Co-signer account

LEAS:

Leasing account

Date Reviewed

E	Creditor Name	Acct	Date /	oate Opened			Balance Amt	Past	Historical
C 0 A	Account Number	Туре	Reviewed	DLA	Tems	Reviewed	Payment <u>Amt</u>	Due <u>Amt</u>	30 60 90

 This is the last date the account was reviewed (or reported) by the creditor

Date Opened & DLA

E	Creditor Name	Acct	Date	Date Opened	redit		Balance Amt	Past	Historical
C 0 A	Account Number	Туре	Reviewed	DLA 🔏	Terms	Reviewed	Payment <u>Amt</u>	Due <u>Amt</u>	30 60 90

- There are two parts to this column
 - Date Opened is the date the account was originally opened
 - * DLA is the Date of Last Activity the last time any activity took place on the account

High Crodit & Torms

E	Creditor Name	Acct	Date	Date Opened	High Credit	Z Just	Balance Amt	Past	Historical
C	Account Number	Туре	Reviewed	DLA	Terms 🎍	Reviewed	Payment Amt	Due	30 60 90
0								Amt	
A									

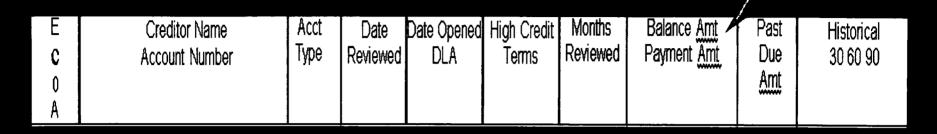
- * There are two parts to this column
 - High Credit is the highest amount borrowed on the account, or the highest amount available if it was a revolving account
 - Terms the first number indicates the highest amount of the account and if there is a second number it is the # of months of the repayment agreement (i.e. 48 months, 60 months, etc.)

Months Reviewed

E	Creditor Name	Acct	Date	Date Opened	High Credit	Months /	Balance Amt	Past	Historical
C	Account Number	Type	Reviewed	DLA	Terms	Reviewed	Payment Amt	Due	30 60 90
0								Amt	
A									

Months in Review – the number of months the account has been reviewed from the time the account was opened

Balance & Payment Amounts



- There are two parts to this column
 - * The Balance Amount is what is currently owed
 - The Payment Amount would show if the account had a regular monthly payment, such as for an auto loan or other type of installment account

Past Due Amount

E	Creditor Name	Acct	Date	Date Opened	High Credit	Months	Balance Amt	Past /	Historical
C	Account Number	Туре	Reviewed	DLA	Terms	Reviewed	Payment <u>Amt</u>	Due	30 60 90
0								Amt	
A									

* The Past Due Amount is just that – any amount that is past due on the account

Historical 30/60/90

• E 0 A	Creditor Name Account Number	Acct Type	Date Reviewed	Date Opened DLA	High Credit Terms	Months Reviewed	Balance Amt Payment Amt	Past Due Amt	Historical 30 60 90
---------	---------------------------------	--------------	------------------	--------------------	----------------------	--------------------	----------------------------	--------------------	------------------------

* These columns will indicate the number of times the account has been 30, 60, and/or 90 days past due

Credit Score Breakdown

* There are indicators which will show the Manner of Payment (MOP) – the letter indicates the type of account and the digit codes represent various factors on each account from days late to the account being unrated

Manner of Payment (MOP) Codes

•	NR	-	No Record
•	Χ	_	Information requested but not provided to the credit reporting agency
	0	_	Too new to rate/approved but not used
•	1	_	Pays in 30 Days, <u>OR</u> Pays As Agreed
•	2	_	Pays in 30-59 Days, <u>OR</u> One Payment Past Due
•	3	_	Pays in 60-89 Days, <u>OR</u> Two Payments Past Due
·	4	_	Pays in 90-119 Days, <u>OR</u> Three Payments Past Due
***	5		Pays in 120 Days or More
•	6	_	Account Rated 07-09, Now Paid As Agreed, OR Satisfied
	7	_	Chapter 13 Bankruptcy, Pays Regularly
•	8	_	Repossession
*	9	_	Bad Debt, Collection, Tax Lien, Civil Suit, Judgment, Bankruptcy

How to Read MOP

Under Creditor Name/Account Number you will see:

Type of Loan: CREDIT CARD / CHARGE ACCOUNT

Months Reviewed – 48

- Months in Review indicates how long the account has been in review – 48 in this case, but only the most recent 29 months is shown in this report
- The successive 1's indicate the account was Paid As Agreed for the most recent 29 months (each digit or letter represents one month
- The PP Start Date indicates the last date the account was reviewed – in this case it was last reviewed in June 2016

How to Read MOP

Under Creditor Name/Account Number you will see:

Type of Loan: AUTO

Months Reviewed – 48

- Only the most recent 24 months is shown
- The X indicates the account was either too new to review, or the credit reporting agency did not receive a reply when it tried to review the account
- The group of successive 1's indicates the account was Paid As Agreed for 19 months
- The 2 indicates the borrower was 30-59 Days Past Due
 - 3 Borrower was 60-89 Days Past Due
 - 4 Borrower was 90-119 Days Past Due
 - 5 Borrower was 120 or More Past Due

Other Items to Note

- * Hawk Alert may indicate possibly fraudulent activity otherwise will appear as 'Available and Clear'
- * Always check the Adverse Summary Information section of the credit report
- Public Records section encompasses Judgments, Bankruptcies, Liens and other legal actions involving Borrower

Conclusion Questions?

Approved for Release: 2019/11/26 C06675871