



Spring 2019

# CAMBRIDGE QUARTERLY NEWSLETTER

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It's Time to  
Face Your  
Credit Report

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# CREDIT SCORE FACTS



THE PRECISE FORMULA THAT DETERMINES OUR CREDIT SCORE IS A CLOSELY HELD BUSINESS SECRET, BUT PAYMENT HISTORY, AMOUNTS OWED, LENGTH OF CREDIT HISTORY, NEW CREDIT, AND TYPES OF CREDIT EACH WEIGH HEAVILY.

## DON'T BE AFRAID OF YOUR CREDIT REPORT!

Many of us shy away from information that might give us financial anxiety, but that tendency must be overcome if you're serious about improving your financial life and meeting your goals. There really is no other way. You're entitled and encouraged to review your free credit reports at least once every 12 months, and more often if you're getting ready to make a major purchase like a car or home. If you haven't done so in a while, or if you've never looked at your report on your own, there's no time like the present.

### WHAT IS IT?

A credit report is a fairly comprehensive documentation of your credit history. A report identifies your lines of credit, details your payment history, and states the status of your accounts. Always bear in mind, however, that credit reporting is voluntary, not mandatory, so your reports might be missing accounts you assumed would be there. Your credit cards, auto loans and leases, student loans, and mortgages are all examples of the types of credit accounts you might expect to see. Your credit report is the source of your credit scores, but scores aren't included in your free reports. You can obtain those separately whenever you'd like with the help of websites and mobile apps such as Discover.com and CreditSesame. Checking your score through these sites won't impact your credit. Applying for credit impacts your credit.

Credit reports are used in many situations to determine your financial responsibility and character. Applying for a credit card, an apartment, new employment, a new utility service, and a cell phone will all likely include a review of your credit reports. If all of these businesses are looking at your credit report, you should, too!

### HOW DO I GET MY REPORTS?

Obtaining your credit reports is easy. Visit AnnualCreditReport.com, it's the only government-backed website to obtain your free reports. The website will ask you to provide some personal information, so make sure you're on your private internet connection or your password-protected wireless internet (Wi-Fi) to keep your data safe. You may be asked to identify previous addresses, the years that you opened specific lines of credit, and even some left-field questions that pertain to information that you don't know. For instance, you might be asked if you have an auto loan, even though you've never owned a car. No worries, when such questions are asked you should answer "none of the above." Asking about financial situations that have never happened helps to identify people trying to access your report fraudulently.



Sarah Beaton  
Benefits Verification Audit Dept.

SARAH HAS BEEN WITH US FOR THREE YEARS, AND SHE'S A JACK OF ALL TRADES. SHE IS ALWAYS READY TO GET INVOLVED IN OTHER AREAS OF THE COMPANY. FOR INSTANCE, SHE'S AN INTEGRAL PART OF OUR INTERNAL AUDITING TEAM!

"WORKING FOR CAMBRIDGE IS SUCH A GREAT EXPERIENCE. HELPING OTHERS IS SOMETHING THAT I LOVE TO DO. BEING ABLE TO PROVIDE CLIENTS WITH COMFORT IN KNOWING THEIR FINANCIAL FUTURES WILL IMPROVE WITH OUR PROGRAM IS VERY REWARDING. I AM GRATEFUL TO WORK ALONGSIDE OUR AMAZING CAMBRIDGE TEAM!"



YOUR CREDIT SCORE IS AN INDICATOR OF HOW LIKELY YOU ARE TO REPAY A LOAN, IF TAKEN OUT TODAY.

ACCORDING TO FICO, 40% OF CONSUMERS HAVE A CREDIT SCORE OVER 750, WITH 21% ABOVE 800. 30% HAVE A FAIR TO POOR CREDIT SCORE, UNDER 650.

DON'T WORRY IF YOUR SCORE IS LOW RIGHT NOW. A POOR SCORE NEED NOT HANG OVER YOUR HEAD FOR LONG. IT MAY TAKE TIME, BUT YOU CAN RAISE IT.

After these questions you'll go from one credit bureau's report to the next, with a few more identifying questions in between. The entire process to access your reports only takes 10 - 15 minutes. It's easy.

### OKAY, I'M LOOKING AT THEM. NOW WHAT?

You should see how many lines of credit have been opened in your name, what months they were active, whether the payments were on time, and the current status of each account. Review each report thoroughly and make sure the information is accurate. If it isn't, you'll need to contact the merchant that reported the account and let them know about your concerns. If the company isn't able or willing to help you, challenge the entry through the credit bureau. The merchant and the credit bureau have a responsibility to report correct information. You can submit your dispute in writing or online, which requires the bureaus to investigate the issue. You might need to send in copies of documents to support your position, if you're able. Do not send any original documents. You might need those, so keep them safe.

If the issue isn't resolved in your favor, you can still request that your dispute be included in your credit report, and you can add a 100-word statement detailing your position.

### QUICK FACTS

Only about **50%** of Americans have a late payment on their credit report.

Less than **1/3** of Americans check their credit report each year.

**One out of five** Americans has an error on their credit report.

**One out of 10** Americans are denied a new job because of information on their credit report.

Your credit report is an important part of your financial life. It's best to get familiar with it now, so that you have the confidence behind you that your identity hasn't been stolen. Again, it's also good to see your track record of your payments.

If you're already familiar with your credit report, don't be afraid to gently remind loved ones to check theirs as well. We never really know how much financial education our friends and family have experienced, because finances are a seldom discussed topic.

### PRODUCE IN SEASON FOR SPRING



1.) CHERRIES

2.) FIDDLE HEADS

3.) KIWIS

4.) LEMONS

5.) LETTUCE

6.) PEAS

7.) RADISHES

8.) SPINACH

9.) SPRING ONIONS

10.) STRAWBERRIES

# Cambridge in the Community

Credit for Life Fairs – Cambridge regularly participates in our area's credit fairs. The events are attended by local high school students, who are challenged to make significant financial decisions throughout the day. Each student is given an estimated salary based on their career of choice, along with a random credit score and a projected student loan payment. Students must visit all 15 booths (including our two booths: Credit Score/Credit Cards and Credit Counseling) to make choices about insurance, transportation, housing, improving their credit score and more. At the end of the day we review each student's budget to evaluate their performance. Here we are with fellow volunteers at the first fair of the year, hosted by Junior Achievement:



Our Student Loan Counseling Manager, Gordon Oliver, recently visited a local high school in Westfield, MA to talk to students about the first financial decisions they'll make, including student loans. Gordon's presentations were well received, and the students struck up a serious dialogue, asking great questions and voicing their concerns. We look forward to visiting Westfield High School in the future! Gordon also conducted a class at Springfield College humorously titled: Debt is Bad and Other Amazing Facts! Gordon covered student loan repayment options and emphasized the need to create an effective strategy to pay down debt. The group discussed how students can live within their means, managing their debt before major life decisions arrive. Gordon has been invited back to conduct a second session.

