



SYNAPSE CREDIT LLC
Credit Education Program

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THE VALUE OF ESTABLISHING A CREDIT SCORE.

Establishing a credit score is valuable for many different reasons but especially when it comes to applying for credit. Your credit score is an indicator of the risk a lender will undertake by extending credit to you. One of the three major consumer reporting bureaus, explained in a recent blog post that consumers should establish a good credit score for the following six reasons¹:

1. Significant savings on interest rates on big-ticket loans
2. Better terms and availability on loan products
3. Access to the best credit cards
4. Insurance discounts
5. More housing options
6. Security deposit waivers on utilities

WAYS TO ESTABLISH A CREDIT SCORE.

If you are young or have not previously obtained credit, you may have no credit file or a thin credit file with limited information. You can establish a credit score in the following ways according to one of the three major consumer reporting bureaus²:

1. Open your first credit card account
2. Get a secured credit card
3. Open a joint account or become an authorized user
4. Request a credit limit increase

¹ You can read the blog post in its entirety here: <https://www.experian.com/blogs/ask-experian/why-would-you-want-a-good-credit-score/>

² Read the entire article here: <https://www.experian.com/blogs/ask-experian/credit-education/improving-credit/building-credit/>

If you are wary about credit cards or do not want to establish a credit score with a credit card for any reason, one of the three major credit reporting bureaus recommends taking other actions including:

1. Paying student loans diligently
2. Obtaining an installment auto loan
3. Obtaining a secured loan
4. Request that your landlord report your rent payments to the credit bureaus

WAYS TO IMPROVE A CREDIT SCORE

Your credit score is a reflection of your past behavior with regards to credit. A low credit score or no credit score may signify to a lender that you pose a higher credit risk as compared to those with higher credit scores. You should check your credit report for any errors and file disputes to correct any mistakes which may help improve your score if any errors that adversely affected your credit are corrected. You should also pay your bills on time and reduce the amount of debt you owe. For more information on how taking these actions can help improve your credit score please visit <https://www.myfico.com/credit-education/improve-your-credit-score>.

FACTORS THAT IMPACT A CREDIT SCORE.

While the consumer reporting agencies do not usually share the precise method used to calculate consumer credit scores, according to one of the three major credit reporting bureaus the five main factors that affect your credit score include your payment history, credit utilization, credit history length, credit mix or types of credit and, lastly, new credit inquiries. For more details on these factors please visit <https://www.experian.com/blogs/ask-experian/credit-education/score-basics/what-affects-your-credit-scores/>

WAYS TO CHECK ONE'S CREDIT SCORE

There are several ways to check your credit score. Many credit cards offer access to your credit score as part of the credit card benefits. You can also access your credit score through credit monitoring sites like creditkarma.com or creditsesame.com.

WAYS TO OBTAIN A FREE COPY OF ONE'S CREDIT REPORT

If you'd like to view your credit report, you can obtain a free copy by visiting annualcreditreport.com.

WAYS TO DISPUTE AN ERROR IN ONE'S CREDIT REPORT

If you find an error or mistake on your credit report, you can file a dispute with the consumer bureau or the entity that reported the information to the bureau, otherwise known as data furnishers. You can file disputes electronically with the three major credit bureaus here:

Equifax Information Services, LLC
P.O. Box 740256
Atlanta, GA 30374-0256

Experian
P.O. Box 4500
Allen, TX 75013

TransUnion Consumer Solutions
P.O. Box 2000
Chester, PA 19016

Please visit the bureau's website prior to mailing any documents to check for submission requirements.

If you'd like to file a dispute directly with a data furnisher like a credit card provider you should contact the company directly.