



## What's the difference between a credit report and a credit score?

The information in an individual's **credit report** is used to calculate his or her three-digit **credit score**. The free credit reports available through [AnnualCreditReport.com](http://AnnualCreditReport.com) do not include a credit score—you must pay to see your score. Because a credit score is based on the information in your credit report, it is typically unnecessary to

pay for a credit score. On the other hand, it is crucial to check your credit report regularly to make sure it is accurate.

### What is a credit report?

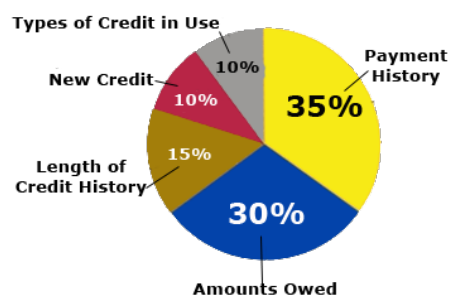
- Your **credit report** is a detailed record of your credit history. A credit report includes four types of information:
  - Personal information including your name, address, and Social Security Number
  - Account histories for all accounts from the past seven years. Includes payment histories, credit limits, monthly balances, and any late payments for each account.
  - Public records related to your finances including bankruptcies, tax liens, court judgments, and foreclosures up to 10 years after the filing date.
  - Inquiries, which includes a record of everybody who has looked at your credit report in the past two years.
- You can request one free credit report every year at [AnnualCreditReport.com](http://AnnualCreditReport.com) from each of the three main credit agencies: Equifax, Experian, and TransUnion.

### What is a credit score?

- Your **credit score** is a three-digit number that estimates how likely you are to repay your debt.
- Companies use the information in your credit report to calculate a credit score.
- Your credit score changes based on your financial activities, such as charges and payments.
- Everybody has several credit scores. Many different companies provide credit scores, and each calculates your score differently. In the United States, the most widely used credit score is the FICO score, but there are also several different versions of FICO scores.
- You typically have to pay to see your credit score. Your score is not available for free at [AnnualCreditReport.com](http://AnnualCreditReport.com).
- There are several “free score” services and websites, but remember, the score you see may not be the score your creditor uses.

### Improving your credit score

- Your credit score is determined based on five components (source: myFICO.com):
  - Payment history (35%)
  - Current debt (30%)
  - Length of credit history (15%)
  - New credit (10%)
  - Types of credit (10%)



Based on these categories, you can improve your score by paying your bills on time, using less of your available credit balance, keeping older credit cards open, not opening multiple credit accounts over a short period of time, and using different types of credit responsibly. Your credit score is based on behavior from the past 7-10 years, so the effects of negative actions diminish over time.