

FC Resource: Accessing Credit Reports and Scores

Every client enrolled in the financial counseling program at your FOC should have a complete Combined Financial Assessment (CFA). The client's credit score and trade line information from their credit report is a major component of the CFA (along with the budget and balance sheet).

The value in documenting a client's credit score/report data is in the opportunity that a financial coach has to help that client understand credit and to provide strategies for building credit-worthiness.

Once Your Organization is Set Up to Pull Credit Reports/Score

You will find copies of credit authorization form templates in the resource documents. You must keep proof of the client's authorization in your client files, in addition to documenting the authorization in the CFA in ETO. For outcome tracking purposes, the best practice is to encourage clients to sign off on authorization for your organization to pull their credit report every 6 months for the next five years. If the client refuses, an unlikely event, you can ask them to sign the credit authorization forms that allows your site to access the client's report/score one time only. The Performance Report for your site (In ETO: Reports/Custom Reports) will include a line item, a clickable field, which shows clients whose last report/score was documented 6 months ago, and for whom your site should access a new report/score. A new CFA should be completed for these clients to update their credit report/score information (Find the client in ETO/View-Record Assessments/Take New Assessment/FFT Combined Financial Assessment/Pre-populate with previous FFT CFA/Yes, you plan to overwrite the pre-populated fields/Go to the credit report tab and enter the appropriate date and new credit report data).

Remember, copies of the TransUnion B2B report cannot be furnished to the client. However, the financial coach should help the client access their consumer credit reports from all three bureaus through www.annualcreditreport.com. This website was created by the three credit bureaus (Equifax, Experian, and TransUnion) to provide consumers with a convenient means of accessing their credit report for free, once every twelve months. The financial coach should take the opportunity to teach the client to read their report and provide strategies for credit building.

Learn More about Credit Building Strategies

Online resources for coaches to learn more about credit building include:

<http://www.creditbuildersalliance.org/toolkit/>

- Read through the section entitled "Credit Builder 5-Step". Each of the 5 Steps is a link you can click on to learn more about each step.
- Also read through the tips sheets and other information that can be found on "Featured Credit Builder Tools".

<http://www.myfico.com/CreditEducation/>

- Loan Savings Calculator: Show your clients how much they can save if they improve their credit.

<http://www.myfico.com/myfico/CreditCentral/LoanRates.aspx>
Select the loan type, enter your state, and the total loan amount (step 4 is optional)

- Brochures that you can use personally to brush up on credit building knowledge
<http://www.myfico.com/crediteducation/brochures.aspx>
Only the first one is in English and Spanish--this one has valuable info, but is long. Attached in the resource docs is another brochure from the site that you can give your clients.
- The five major categories that FICO uses to determine a credit score can be found at (<http://www.myfico.com/CreditEducation/WhatsInYourScore.aspx>).
Please review the factors of a credit score to consider ways your clients can build credit. For example, payment history is factored in to produce about 35% of your score—it is the most heavily weighted category. Therefore, encourage your clients to pay all of their active accounts on time. If they do not have any active accounts, provide strategies of accessing new credit (credit builder loans, secured credit cards, etc.), and provide the tools to help them manage this credit responsibly.