



GREAT PLAINS
Native Asset Building Coalition

KNOW WHAT YOUR CREDIT SCORE MEANS

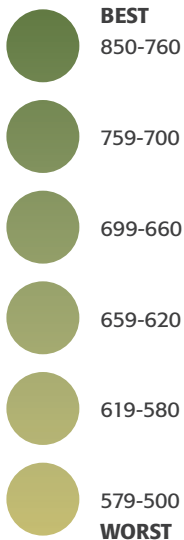
Your credit rating can affect some very critical elements in your life, including employment, housing, and obtaining a loan. A poor credit rating can create a barrier to obtaining your goals, so it is important that you educate yourself on the subject of credit and learn how to use credit as an asset to help you achieve your financial dreams.

Sometimes known as your “financial GPA”, your credit score helps mortgage lenders, car loan companies, credit card companies, cell phone companies, landlords, and employers determine your credit worthiness. Your score is based on your rating in five general categories: payment history, total indebtedness, length of credit history, new accounts and credit requests, and your credit mix.

WHAT IS A CREDIT REPORT ?

FICO® Ranges

The median FICO score is 720 out of a possible 850. A score of 600 or below is considered “risky” by potential creditors. Higher scores translate to better interest rates, which save you money .



A credit report is a record of your credit activities - for example, any credit card accounts or loans you may have. Your credit report contains a summary of these accounts, their balances, and how regularly you make payments. It also shows any delinquent bills and provides your current credit score, also known as a FICO® score.

Credit bureaus collect and store information that appears on your credit report. There are three major credit bureaus that operate nationwide, including Experian, TransUnion, and Equifax. Credit bureaus provide information to current or potential creditors, current or potential employers, current or potential insurers, government agencies that may provide you with benefits, and even potential landlords. The organizations or companies that receive your credit report use it to make decisions on things such as whether or not they want to do business with you or what kind of rates they will charge you.

In general, the information on your credit report stays on your report for seven years. If you file bankruptcy, that stays on your report for 10 years.

OBTAINING YOUR CREDIT REPORT

Since your credit can affect so many critical aspects of your life, such as housing, employment, and getting a loan, it is important that you regularly review your credit report. You are entitled to one free credit report every 12 months from each major credit bureau. Your credit report can be requested online at www.annualcreditreport.com or by contacting the companies directly by phone or mail.

Keep in mind that your credit report can be different at each bureau, so it is a good idea to request copies from each one. It has been suggested that you view your credit report three times a year, once from each major bureau.

Equifax

P.O. Box 105873
Atlanta, GA 30348
www.equifax.com
(800) 685-1111

Experian (formerly TRW)

P.O. Box 2104
Allen, TX 75013-2104
www.experian.com
(888) 397-3742

Trans Union

Consumer Disclosure Center
P.O. Box 1000
Chester, PA 19022
www.transunion.com
(800) 916-8800 or (800) 888-4213

COMPONENTS OF A CREDIT REPORT

Usually there are four types of basic information contained in your credit report:

1. Identifying Information

Your full name, any known aliases, current and previous addresses, social security number, year of birth, current and past employers, and, if applicable, similar information about your spouse.

2. Credit Information

The accounts you have with banks, retailers, credit-card issuers, utility companies, and other lenders. Accounts are also identified by type, such as mortgage, student loan, revolving credit, or installment loan. The date the account was opened, how much you owe, your credit limit, any co-signers, status of the account and your payment pattern over the past two years is also listed.

3. Public Record Information

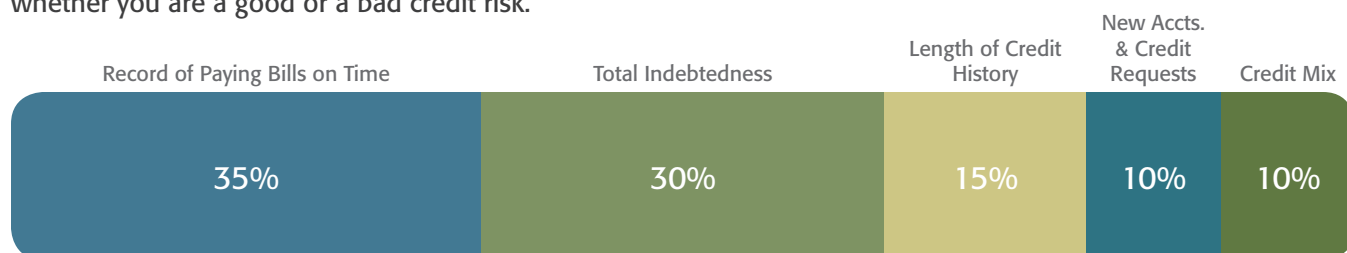
State and county court records on bankruptcy, tax liens, or monetary judgments.

4. Recent Inquiries

The names of those who have obtained copies of your credit report within the past year (two years for employment purposes). There are two types of inquiries. Hard inquiries are ones you initiate by applying for a loan or setting up some other kind of credit account. Soft inquiries are made by companies that send out promotional information, such as pre-qualified notices, or current creditors who are monitoring your account.

CALCULATING YOUR CREDIT SCORE

The credit bureaus use the information in your credit report, including your record of paying bills on time, total indebtedness, length of credit history, new accounts and credit requests, and your credit mix, to calculate your credit score. Along with the other information in your credit report, creditors use your credit score to determine whether you are a good or a bad credit risk.



HOW TO READ YOUR CREDIT REPORT

CBCInnovis 875 GREENTREE ROAD 8 PARKWAY CENTER PITTSBURGH PA 15220		CBCInnovis	Phone: 800-216-3463 Fax: 800-688-7816				
INFILE CREDIT REPORT							
PREPARED FOR: THE LAKOTA FUND P.O. BOX 340 KYLE SD 57752-0340		CHARGES: \$8.60 COMPUTER ID #: 713065164020821 LENDER CASE #: 516643230	DATE RECEIVED: 03/06/13 DATE COMPLETED: 03/06/13				
ATTENTION: LENDING	REPORT TYPE: INDIVIDUAL						
APPLICANT		EMPLOYMENT INFORMATION					
INPUT INFORMATION: NAME: JOHN WALKING DOE SSN: XXX-XX-3230 BOX 9999999 KYLE SD 57752 DOB: 04/23/54 CURRENT ADDRESS: PO BOX 9999999 KYLE SD 57752 SINCE: 02/96 PREVIOUS ADDRESS: 1 GENERAL DELIVERY OGLALA SD 57764 FROM: 12/01/90 PREVIOUS ADDRESS: PO BOX 9999999 LODGE GRASS MT 59050		PRESENT EMPLOYMENT: CHEYENNE RIVER CONSTRUCTION FROM: 08/14/07 PREVIOUS EMPLOYMENT: LAST NAME CONSTRUCTION FROM: 11/26/05 POSITION: CARPENTER					
Identifying information, including name, social security number, date of birth, current and previous addresses, and current and previous employers.		Credit summary shows a summary of all account types, payments, balances, and limits. It also shows how many payments have been made in the 30, 60, and 90 day past due time frames. Inquiries, public records, and bankruptcies are also summarized here.					
CREDIT SUMMARY							
	PAYMENTS	BALANCES	LIMITS	TRADES	30	60	90
REVOLVING	0	0	0	0	0	0	0
INSTALLMENT	605	1,117	92	11	4	5	24
REAL ESTATE	0	0	0	0	0	0	0
OPEN/OTHER	60	60	60	2	0	0	0
TOTAL	665	1,177	152	13	4	5	24
#INQUIRIES	2	#PUBLIC RECORDS	0	#BANKRUPTCIES	0		
WORST TRADE	9	OLDEST DATE	02/02/07	#SATISFACTORIES:	6		
				PAST DUES:	1,085		
SCORING							
1	EMPIRICA 950 +492 SERIOUS DELINQUENCY, AND PUBLIC RECORD OR COLLECTION FILED TIME SINCE DELINQUENCY IS TOO RECENT OR UNKNOWN LEVEL OF DELINQUENCY ON ACCOUNTS LENGTH OF TIME SINCE DEROGATORY PUBLIC RECORD OR COLLECTION IS TOO SHORT 38 13 2 20						TRU01
1	FAIR ISAAC SCORE 2 +538 SERIOUS DELINQUENCY LEVEL OF DELINQUENCY ON ACCOUNTS LACK OF RECENT REVOLVING ACCOUNT INFORMATION PROPORTION OF LOAN BALANCES TO LOAN AMOUNTS IS TOO HIGH 39 2 16 33						XPN01
FICO score shown here along with supporting information. This score is a 538, which is considered a high risk by creditors.							
REGULATORY MESSAGES							
1	FACT ACT:THE NUMBER OF INQUIRIES ON THE CONSUMERS CREDIT FILE HAS ADVERSELY AFFECTED THE CREDIT SCORE AND DEROGATORY INFORMATION WAS FOUND						TRU01
PUBLIC RECORD INFORMATION							
NO PUBLIC RECORDS FOUND							
If any public records, such as bankruptcy, tax liens, or monetary judgements were on record, they would be shown here.							
PAGE 1				(1 of 7)			

HOW TO READ YOUR CREDIT REPORT

APPLICANT													
NAME: JOHN WALKING DOE											06/13		
S.S.N.: XXX-XX-3230													
CREDIT HISTORY													
E C C O A	CREDITOR ACCOUNT NO	RPTD	LAST ACT	OPND	LIMIT OR HIGHEST CREDIT	PRESENT STATUS			TYPE/RATE VENDOR	HISTORICAL STATUS			
						BALANCE OWING	AMOUNT PAST DUE	TERMS PYMT AMT		NO MOS HIST REV	30 DAYS	60 DAYS	90 DAYS
1	SECURITY FIRST BANK #2000001600332056	02/13		02/10	1025	1025	1025	2 M 513E	INS 09 UNSECURED XPN 01 (TRU)	36	1	1	0
				CHARGE OFF									999999999999 999999999999 01/13 9 12/12 9 02/13 9
1	CHEXCEL #222501072869	09/10		07/10					NS 09 RETURNED CHECK XPN 01	1	0	0	0
				COLLECTION MOYLE/Common Cents #141									9 09/10 9
	#4000101 PO BOX 9134 NEEDHAM MA 02494 (603) 570-4784	10/12		07/12	60	60	60	60E	OPN 09 TRU 01	0			
				COLLECTION 06 AMERICAN FAMILY INSURANCE									
1	HSBC/TAX #230710700166 PO BOX 9068 BRANDON FL 33509	02/11	04/07	02/07	567	0	0		OPN 09 UNSECURED TRU 01	0			
				PURCHASED BY ANOTHER LENDER SOLD TO: HRB PRODUCTS LLC									
1	HSBC/TAX #2307107001664134	08/08		02/07	567			1 M	INS 06 UNSECURED XPN 01	24	0	0	23
				PURCHASED BY ANOTHER LENDER TRANSFERRED SOLD TO: HRB PRODUCTS LLC									X66666666666 666666666666 06/08 6 05/08 6 07/08 6
2	LAKOTA FUNDS #CDBG09006 1 MAIN STREET KYLE SD 57752	01/13	01/13	06/09	5000	0	0	36 M	INS 01 BUSINESS LN TRU 01 (XPN)	43	3	4	1
				CLOSED									143211313321 211111111111 11/12 3 10/12 2 12/12 4
1	SD DIV OF CHILD SUPPOR #142523016A	06/08	03/07	02/07	31200	0			INS 09 XPN 01 (TRU)	1	0	0	0
				COLLECTION FAMILY SUPPORT PAID ACCOUNT/ZERO BALANCE									9 06/08 9
1	SEC FST BNK #2000001600332054 5505 RED ROCK LANE LINCOLN NE 68516 (402) 323-8045	12/09	12/09	09/09	127	0	0	2 X	INS 01 UNSECURED TRU 01 (XPN)	2	0	0	0
				CLOSED									111
1	SEC FST BNK #2000001600332053 5505 RED ROCK LANE LINCOLN NE 68516 (402) 323-8045	09/09	09/09	8				1 X	INS 01 UNSECURED TRU 01 (XPN)	0	0	0	0
				CLOSED									
1	SEC FST BNK #2000001600332052 5505 RED ROCK LANE LINCOLN NE 68516 (402) 323-8045	08/09	08/09	08/09	875	0	0	1 X	INS 00 UNSECURED TRU 01 (XPN)	0			
				CLOSED									

Itemized list of accounts tells who the creditors are, when the account was opened, the total balance due, past due amounts, and type of account. Payment history with number of payments in the 30, 60, and 90 day past due categories are shown.

A charge off means the creditor feels the debt is unlikely to be collected, and they count it as a loss. A charge off does not mean that the account holder is no longer responsible for the debt.

Bounced checks show up on credit reports.

Closed accounts and accounts with a zero balance will still remain on a credit report for 7 years.

HOW TO READ YOUR CREDIT REPORT

APPLICANT

NAME: JOHN WALKING DOE
S.S.N.: XXX-XX-3230

06/13

Itemized list of accounts tells who the creditors are, when the account was opened, the total balance due, past due amounts, and type of account. Payment history with number of payments in the 30, 60, and 90 day past due categories are shown.

CREDIT HISTORY

E C C O A	CREDITOR ACCOUNT NO	RPTD	LAST ACT	OPND	LIMIT OR HIGHEST CREDIT	PRESENT STATUS			TYPE/RATE VENDOR	HISTORICAL STATUS			
						BALANCE OWING	AMOUNT PAST DUE	TERMS PYMT AMT		NO MOS HIST REV	30 DAYS	60 DAYS	90 DAYS
1	SEC FST BNK #2000001600332050 5505 RED ROCK LANE LINCOLN NE 68516 (402) 323-8045	07/09	07/09	06/09	550	0	0	1 X	INS 00 UNSECURED TRU 01 (XPN)	0			
		CLOSED											
1	SEC FST BNK #2000001600332051 5505 RED ROCK LANE LINCOLN NE 68516 (402) 323-8045	06/09	06/09	06/09	2037	0	0	2 X	INS 00 AUTO TRU 01 (XPN)	0			
		CLOSED											
1	SECURITY FIRST BANK #2000001600332055	02/10		12/09	1275	0		2 M	INS 01 UNSECURED TRU 01 (TRU)	3	0	0	0
		PAID ACCOUNT/ZERO BALANCE								X11			

A list of creditors and other entities who have made recent inquiries.

INQUIRIES IN THE LAST 120 DAYS

--DATE--	EOCA	KOB	MEMBER--NO		
03/06/13	1	F	04552500	LAKOTA FUND	TRU01
01/14/13 (605) 455-1515	1	Q	05159428	LAKOTA FCU BIA 2 1 MAIN LAKOT CNTR STE 103/104 KYLE SD 57752	TRU01

Any known aliases are included on credit reports.

ADDITIONAL INFORMATION

1	KNOWN ALIAS KNOWN ALIAS: JOHNATHAN WALKING DOE	TRU01
1	KNOWN ALIAS KNOWN ALIAS: JOHNATHAN WALKING	XPN01
1	KNOWN ALIAS KNOWN ALIAS: JOHN WALKING DOE JR	XPN01
1	CONSUMER NARRATIVE 0092 REQUESTED PRODUCT OPTION NOT ALLOWED	XPN01

CONSUMER REFERRAL INFORMATION

TRANSUNION HTTP://WWW.TRANSUNION.COM 2 BALDWIN PLACE, P.O.BOX 1000 CHESTER, PA 19022 800-888-4213	TRU29SD
EXPERIAN WWW.EXPERIAN.COM 701 EXPERIAN PARKWAY, PO BOX 2002 ALLEN, TX 75013 888-397-3742	XPNTSD1

FILING A DISPUTE

If you see something that is incorrect on your credit report, you can file a dispute with the credit bureau. There will be instructions on your credit report on how to file a discrepancy. Usually, you will need to fill out some kind of form and submit it to the credit bureau. Your creditor has 30 days to respond, so fixing mistakes on your credit report can take time.

EFFECTS OF BAD CREDIT

When you are living on a tight budget, or even if you're not, it is easy to get caught in a never ending debt cycle by overextending yourself financially. If you consistently spend more money than you bring in, you'll eventually begin to feel the effects of bad credit.

Many people do not realize the side effects of a poor credit rating or don't think having a good credit rating is important. These days, a poor credit rating can virtually affect every aspect of your life. Whether you are consistently late paying your auto loan or over the limit on your credit card accounts, a derogatory credit report can limit your lifestyle and create a barrier to your personal goals.

1. Trouble Getting Loans Approved

There will usually come a time when you need a loan to purchase a car, a house, or to start your own business. Since each of these purchases require a significant amount of cash, consumers usually go to some type of financial institution to obtain a loan to make their purchase. Lenders see applicants with a low credit score as a high risk, meaning they would be less likely to pay back the loan. Depending on how low your credit score is, they may not approve your loan.

2. High Interest Rates

Some lenders will extend a loan to applicants with low credit scores, but they will make them pay for it with a higher interest rate. If you have a low credit score and are able to obtain a loan, your interest rate may be up to 100% higher than it would if you had excellent credit. This translates into higher monthly payments. High interest rates on loans or credit cards can cost consumers thousands of extra dollars over the life of the loan. If you are dealing with a limited income to start with, this is money you can't afford to dole out.

3. Security Deposits on Utility & Cell Phone Service

If you are establishing service with a utility company (electricity, gas, water, and cable) or cell phone company, they will check your credit as part of the application process. If you have a poor credit history, they might require you to pay a security deposit to set up service in your name, even if you've always paid your utility and phone bills on time. Security deposits can be hundreds of dollars out of your pocket that could be spent better elsewhere. Cell phone companies may also require you to get a prepaid or month-to-month service, typically with higher rates, before they offer you a contract.

4. Difficulty Securing Rental Housing or Employment

Many landlords require a credit check before approving your housing these days. A low credit score could mean that you will have a hard time finding a home to rent. In addition, some employers also require a credit check as part of the application process now. You can actually be turned down for a job if you have derogatory items on your credit report.

5. Higher Insurance Premiums

Insurance companies (auto, home, and life) check your credit, too. They claim that lower credit scores are associated with higher claims filed. Because of this, they will charge a higher premium that will cost you hundreds of dollars a year.

6. Decreased Mental & Physical Health

With all of the additional costs associated with a poor credit history, it can end up affecting your health. Calls from debtors will start coming in if you are late on your bills, and that can add additional stress. Financial worries are a leading cause of personal stress, and stress can lead to a mental and physical health problems.

IMPROVING YOUR CREDIT SCORE

Whether you have a really low credit score, or even an average credit score, there are things you can do to improve it. If you haven't always managed your credit wisely, first focus on rebuilding your credit history. Then move onto improving your score. The best strategy for improving your credit is to consistently make wise decisions over time, and remember that rebuilding your credit takes time.

1. Check your credit report.

Improving your credit history begins with identifying derogatory information, and the best way to do this is to get a copy of your credit report. Make sure to also check for incorrect information and dispute it with the credit bureau if necessary. Understanding how the information on your credit report impacts your credit score is key.

2. Improve your payment history.

Your payment history has a bigger effect on your credit score than anything else. Be sure to pay your bills on time, every time. Try setting up payment reminders on your computer or your phone. If you have missed payments or late payments, get current and stay current. Talk to your creditors to see if you can make special arrangements to pay off past-due amounts. As you keep making timely payments, your credit report will begin to reflect a positive payment history.

3. Reduce the amount you owe.

Keep balances low on credit cards and other revolving lines of credit as high outstanding debt can reduce your credit score. Although paying of debt can be a long and grueling process that requires a lot of sacrifice, the financial freedom you achieve will be worth it. Focus on paying off credit cards before other types of credit accounts as they usually have the highest interest rates. Make a plan to reduce your debt and incorporate debt payments into your monthly budget.

4. Increase your length of credit history.

The length of your credit history accounts for 15% of your credit score. Don't close unused credit cards just because you don't use them. Closing a credit card with an account balance can have an adverse effect on your credit. If you absolutely have to close some accounts, be sure to keep the ones with the longest credit history.

5. Take on new credit accounts wisely.

If you are looking to make a purchase, shop for a loan within a focused time period. Excessive inquiries can reduce your credit score. If you have had credit problems in the past, be sure to be responsible with new accounts by paying them off on time.

6. Create a credit mix.

Having a variety of account types, such as credit cards and installment loans, will help improve your score. But, don't open accounts just to have a better mix. This strategy could backfire on you.

WORKING WITH A CREDIT COACH

If your credit history is preventing you from reaching your financial goals, there are many organizations out there that can help you in rebuilding your credit and learning how to improve your credit score. Most of these organizations are non-profits who are dedicated to helping people, but beware of some companies that claim quick credit fixes. These are likely to be scams that could leave you in worse financial shape than before.

Many members of the Great Plains Native Asset Building Coalition offer credit coaching services. Visit the Credit Coaching page on our website to find a program near you.



GREAT PLAINS
Native Asset Building Coalition

c/o Lakota Funds

PO Box 340

Kyle, SD 57752

tel 605-455-2500

www.greatplainsnativeassetbuilding.org