

# MPF2102: BUILD CREDIT

Your credit score is your reputation as a borrower. Lenders use it to determine how risky of an investment you are and if you're likely to repay them.



Credit scores range from 300 to 850. Ideally, you want your credit score to sit comfortably above 600 to earn the smallest interest rates on loans, including on mortgages and other large purchases.



Your credit score is determined by 3 main details:

- whether your bills were paid on time
- whether your credit card balances were kept low (ideally, below 30 percent of credit limit)
- whether any debts went into **collections**

Three organizations report credit scores: Transunion, Experian, and Equifax. You can check your credit score for free **here** and no, checking your credit score *does not* damage it.



In order to have a credit score, you must have had at least one active loan or credit card account for at least 6 months. But make sure any money you take out on credit is money you can pay back.



Credit cards play an important role in building and managing your credit. Which is why any credit cards you have should fit **your needs** and be **used responsibly**.

