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Q'S News- Customer Edition Your Consumer Credit Report

Dear Debra,

This month we are going to discuss consumer credit and examine what makes up a consumer credit report and how that may be used to support commercial lease financing.

Your Credit Score

300-900

Three Important Digits



Your consumer credit report contains historical personal data to provide a personal credit score.

Your credit score is a statistical formula that translates personal information from your credit report and other sources into a three-digit rating from 300-900 .

The higher the score, the less probability to a lender that you will default on a proposed debt obligation. The score is constantly updated and changes on a daily basis.

You may also hear this score referred to as a Beacon Score.

How is My Score Calculated?

Hey.. Nice
Beacon!

The Beacon Score



Payment history - Indicates whether you have made your credit card payments, loan payments and other payments on time

Amounts owed - Compares how much you owe to your credit limits with various lenders.

Length of time in file - Indicates how long you have had credit accounts.

New credit - Shows how often you are looking for new credit and how you handle accounts you have

recently opened.

Type of credit - Considers the type of loans you have - car loans, lines of credit, credit card balances.

All lenders have varied credit policies on how they use credit scores and to what extent supporting information, particularly past dealing history affects the outcome of a credit application.

The best rules for improving your score is to keep credit line balances below 70%

usage, and always make payments on time.

Top 3 Myths

Why PG ?

Mistakes About Credit Scores



1) Mortgage information that may appear in your credit report is not used to calculate your credit score.

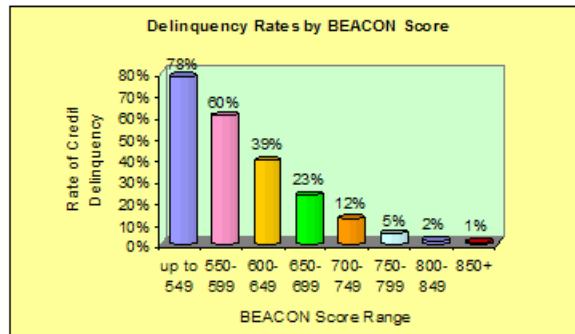
2) Credit scores can identify "shopping" so that one credit search leading to multiple inquiries in a similar industry and timeframe is usually only counted as a single inquiry. Multiple inquiries will usually have a larger impact on the score for consumers with limited credit history and on consumers with previous late payments.

3) Most important for our purposes, your **personal guarantee (PG) of a commercial lease does not show as a trade line on your credit bureau** and therefore it does not limit your ability to gain credit elsewhere. This is an important advantage for leasing as commercial banks typically do weigh PG's on bank lines as a liability in future credit decisions.

Personal Guarantee of a Commercial Lease

A Credit Compliment

What Your PG Means to a Lender.



When you are requested to guarantee a commercial lease consider it a credit compliment rather than a sign your business needs support.

By accepting your PG , the lender is impressed with how you take care of business personally , and your guarantee speaks to your future support of the commercial

venture.

Finally, your hard earned Beacon Score provides an analyst with fast facts to base their approval upon, in the absence of extensive commercial credit.

Long run, by supporting your commercial lease application now, future transactions may not require similar support.

Your business will have grown both in strength and credit history, yet the PG allowed you to get the commercial equipment you needed to make that growth possible.

[Chart Source](#)

Your Credit Report

Pull Your Report

Fraud Prevention

To prevent fraud and mistakes, we recommend that you order your credit report once a year from [Equifax](#) and [Transunion](#) . A free report will give you basic information, or for a nominal fee you can order a full report with scores.

Check for any unauthorized activity. Should any information not pertaining to you show up on your credit file, contact the creditors and get written answers to your inquiry. Use the written clarifications to update your credit reports.

Be sure to update your employment and residence information as well, as creditors look to verify the data as provided on your credit application.

Thank you for your review of this edition of Q's News. If you have any questions about personal or commercial credit, particularly in these changing credit times, please do not hesitate to contact me directly.

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