

The Importance of Good Credit

Families are responsible for paying an interest free mortgage, property taxes, and property insurance. The Family Selection Committee is responsible for determining that a family has sufficient income to handle the financial responsibilities that come with owning a home.

A credit check is conducted for all applicants. People often ask for information about this aspect. We have included some basic information about credit reports and scores; how to get a credit report, how credit scores are determined, and ways that families can learn more about their credit history.

How to get a credit report and score – You can get a credit report every twelve months – a history of credit card payments and other loans for no cost at www.annualcreditreport.com. A credit report is not a credit score. Credit scores can be ordered through Equifax, TransUnion and Experian.

How scores are determined – These organizations look at each person's bill paying history (counts 35%). The amount owed contributes another 30% to the score. Other factors include; how long you've used credit (15%) how often you have applied for credit (10%) and what types of credit (for example, credit cards and car loans) are used (10%).

Obligations of credit reporting agencies – They must tell you, which factors negatively affected your score. For example, late payments are negative factors. Knowing what you have done wrong can help to a family to take steps to improve a score.

Things you can do – Some suggestions include

- Correct any errors in your report.
- Pay bills on time and keep credit balances low.
- Pay off balances.
- Apply for new cards only when needed.