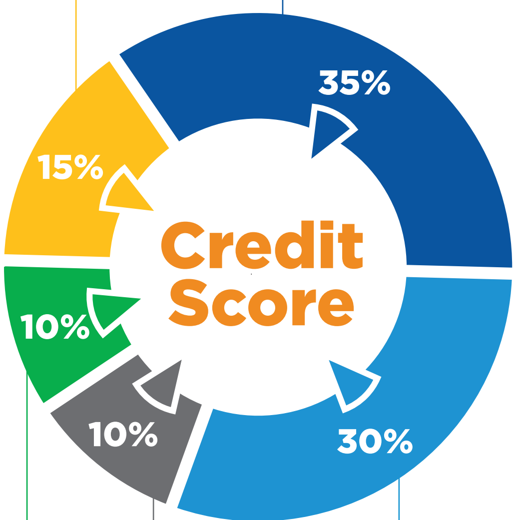
How is your credit calculated?

Your credit standing is calculated by a scoring model that analyzes your payment history and amounts owed, among some other factors. After analyzing your information, the model assigns you a score ranging from 300 - 850. The higher the score, the less likely you're anticipated to miss a payment. Higher scores can help you qualify for better rates and terms from lenders.

Credit score breakdown:

Length of Credit History: How long have you been using credit?

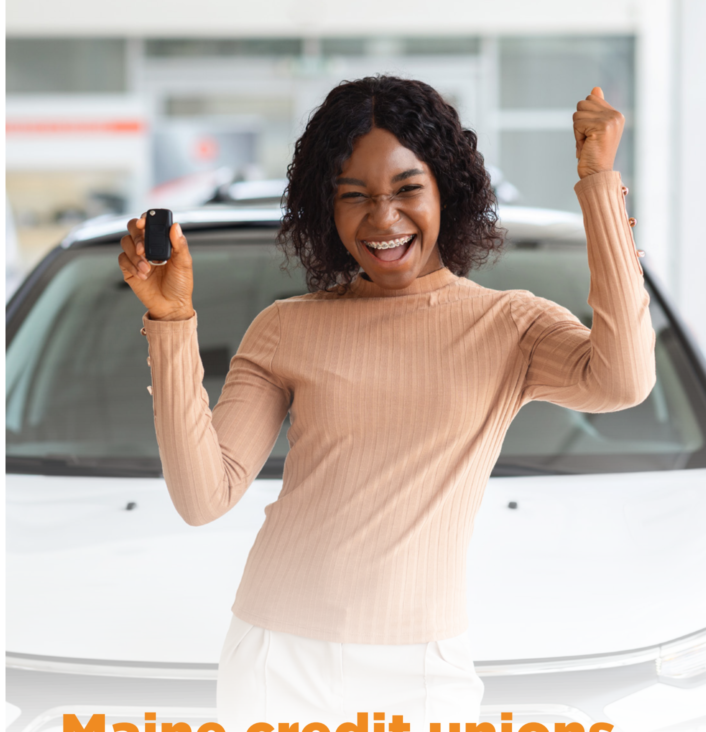
Payment History: Have you paid your past credit accounts on time?



New Credit: How much of your available credit is new?

Types of Credit Used: What is your mix of installment, revolving, and service credit?

Amounts Owed: How much do you owe and how much of your available credit have you used?



Maine credit unions are here to help you achieve your financial goals.

To find a local credit union, visit
mainecreditunions.org
or scan the code below:

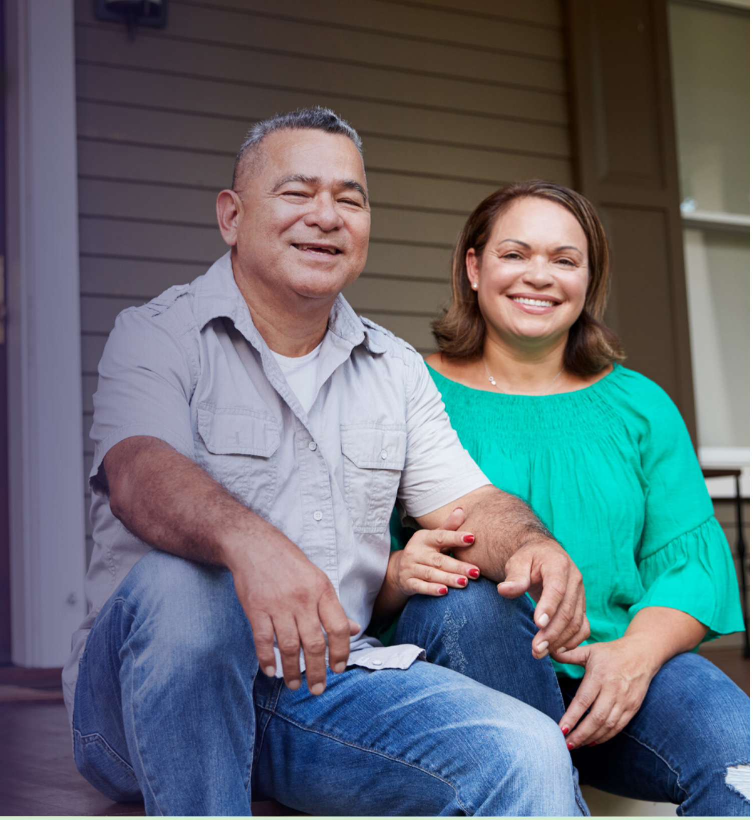
MAINE CREDIT UNIONS

What is Credit?

MAINE CREDIT UNIONS

Maine Credit Unions Are Here For You

What is credit?



Credit enables you to borrow money with the understanding that you'll repay it later, often with interest. If you want to purchase a product or service, but can't pay for it immediately, you may be able to use credit to acquire it.

Lenders, such as credit unions or banks, offer credit to borrowers based on their confidence that they can pay back what was borrowed, along with any interest.

Some examples of credit include auto loans, mortgages, credit cards, and student loans. Utilities, such as heat, water, and electricity are also examples of credit since you receive these services with the understanding that you'll pay for them at a later date when you receive a bill.

Why is credit important?

The better your credit standing, the more money lenders will be willing to let you borrow. Good credit also helps you secure loans with better interest rates and lower fees. Credit is something you build up over time as you borrow money and pay it back under the terms of your loan agreement.

If you have poor credit, or no credit history at all, lenders will be more hesitant to offer you a loan. That, or they may not give you a loan at all.

Lenders aren't the only ones checking your credit. Because your credit is a reflection of your borrowing and repayment history, it's a good indication of how financially responsible you are.

Landlords may check your credit as part of the rental application process

Employers may check your credit when making hiring decisions.

Insurance companies may check your credit to decide whether they will insure you and at what rate.

What are types of credit?

Installment credit

Credit you must pay off, plus any interest within a specified period of time through set monthly payments. Examples include mortgages, student loans, personal loans, and auto loans.

Revolving credit

Credit you can borrow repeatedly up to a certain limit as long as the account is open and payments are being made on time. Payments are only required when you use the funds made available to you. Credit cards are an example of revolving credit.

Service credit

Credit provided to you by ongoing service companies, such as your internet provider, or gas or electric company. You use the service today with the understanding you'll pay for it later.

Maine's credit unions are here for you. mainecreditunions.org