

How to Read a Credit Report

The credit report is designed for employment purposes only, so when secured by our company, it will NOT positively or negatively affect the applicant's FICO score, nor will the FICO score be stated on the Credit Report.

SECTION 1

PUBLIC RECORDS

MAIN STREET COUNTY RECO

Docket #: SQ15894583
File Date: 07/02
Amount: \$7,100
Status Date: 09/02
Action Type: COUNTY TAX LIEN
Status: NOT SATISFIED

SECTION 2

NM: JOHN Q. PUBLIC
NM: JAKE PUBLIC
SS: 123004567
AD: 1234 YNEZ ROAD, TEMECULA, CA 92591 - REPORTED 01/03 - 06/07
AD: 5678 BLUEMOUND ROAD, BROOKFIELD, WI 53045 - REPORTED 01/07 - 05/07
AD: 9012 MAIN STREET, CARLSBAD, CA 92009 - REPORTED 09/06
EM: XYZ COMPANY// - REPORTED 11/05
EM: ABC DISTRIBUTORS// - REPORTED 10/02

SECTION 3

TRADE SUMMARY # BALANCE HIGH CREDIT PAYMENTS PAST DUE
MORTGAGE 0 0 0 0 0
AUTO 2 11532 13243 339 0
EDUCATION 5 59259 59323 0 0
OTHER INSTALLMENT 3 180 180 0 133
OPEN 0 0 0 0 0
REVOLVING 9 7824 9694 369 0
OTHER 0 0 0 0 0
TOTAL 19 78795 82440 708 133

SECURED DEBT 11532 OLDEST TRADELINE 08/94
UNSECURED DEBT 67263 DEBT/HIGH CREDIT 104%

SECTION 4

DEROGATORY SUMMARY

CHARGE OFFS: 0 30 DAYS: 4

COLLECTIONS: 1 60 DAYS: 3

BANKRUPTCY: 3 90 DAYS: 2

PUBLIC RECORDS: 1 OTHER: 0

Analysis

SECTION 1: Any public records such as bankruptcies, tax liens (county & state) and judgments are contained in this section.

SECTION 2: This section contains, names, Also Known As (AKA's), Social Security Number(s) (SSN's), current and past addresses, and current and past employers may also appear here. Sometimes you will find multiple SSN's, but this more than likely is the SSN of the applicants spouse and their SSN has incorrectly migrated over to your applicant's credit report as reported by the credit bureaus. Dates are when that information was reported, not necessarily when the person actually lived there.

SECTION 3: This section gives the names of the trades (trade summary), # of accounts, balance, high credit (most amount owed), payments (monthly basis) and past due. (In the above example, reading from left to right.) Revolving (Credit Cards) is the trade summary, they have had 9 accounts, their current balance is \$7,824, their high credit (most amount owed) is \$9,694, their monthly payment is \$369 and their past due amount is \$0. The most important line is the Total line. They have had 19 accounts, their current balance is \$78,795, their high credit (most owed) is \$82,440, their monthly payment is \$708 and they are past due \$133. Secured debt is debt that has been collateralized by some other asset. Unsecured debt is debt that has been non-collateralized and typically only your signature is needed. Debt/High Credit x 100% is a very misleading formula. Understanding the Total line is much more important in detailing a persons total indebtedness, total monthly obligations and total amount past due.

SECTION 4: Under this section the applicant has had 0 charge offs, 1 collections, 3 accounts included in bankruptcy and 1 public record, which is detailed in the county tax lien. A charge off is where the creditor skips the collections process and just takes a charge to their balance sheet as a bad debt. In this example, 3 accounts have been included in a bankruptcy, but the bankruptcy does not appear in the public records section because it may have already been expunged from the credit file if the statute of limitations has expired. Chapter 7 and Chapter 13 bankruptcies appear on a person's credit report for either 10 years or 7 years respectively starting from the date of discharge or in some cases the date of filing. In the above example, the applicant has been late more than 30 days 4 times, late more than 60 days 3 times and late more than 90 days 2 times. The Other: 0 category is for all accounts that are late beyond 120 days. The applicant has been late more than 120 days 0 times.