



WELCOME TO JPNDC

CREDIT 101

THE ROAD TO A PERFECT CREDIT SCORE



WHAT IS JPNDC?

JPNDC's mission is to transform the lives and amplify the voices of Boston residents who have been excluded from prosperity by an inequitable economic system.

One of our programs is Family Prosperity Services

Financial
Skills
Training

Financial
Coaching

Employment
& Career
Services

Stabilization
Services

ESOL Class
Referrals

Learn more at JPNDC.org/family-prosperity.



What is Credit?

Credit is the ability to borrow money or access goods or services with the understanding that you'll pay later.

Three types of Credit

REVOLVING
ACCOUNTS

INSTALLMENT
LOANS

OPEN
CREDIT

Why Do We Need Credit?

- Can be useful in an emergency.
- Quick access to resources.
- Can be more convenient than carrying cash.
- Large purchases can be paid over time.
- Can affect your ability to obtain a job, housing, insurance and more.

Decisive Factors When Applying for Credit

- Capacity
- Capital
- Collateral
- Character
- Conditions of the market

What is a Credit Report?

A credit report is a summary of your credit history and personal information. Experian, Equifax and Transunion are the three credit reporting companies.

You can access your credit report from

www.annualcreditreport.com



Why Should You Order Your Credit Report?

To check at least once a year for the accuracy of your:

- Name (spelling must be the same)
- Addresses (must be places you have lived)
- All Accounts (Do they belong to you?)

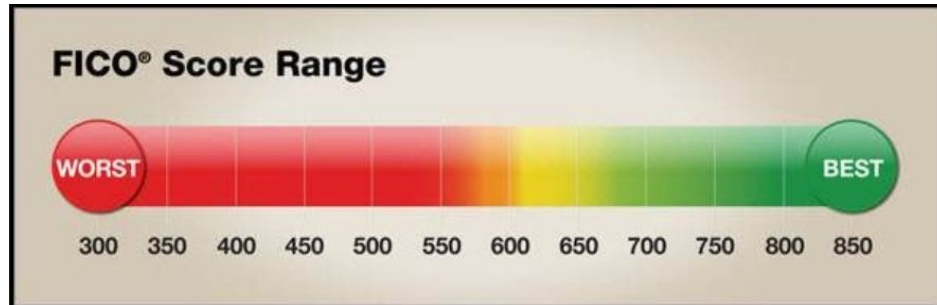
2 in 5 credit reports contain errors!



What is a Credit Score?

A credit score is based on the information in your credit report. It is a numeric value measuring how good or bad your credit is.

The most known credit score model used by lenders is the FICO score.



5 Factors that Affect Your Credit Score



35%
PAYMENT
HISTORY



30%
AMOUNT
OF DEBT



15%
CREDIT
HISTORY



10%
NEW
APPLICATION



10%
CREDIT MIX

How your Credit Affects Your Score (Auto-Loan)



Credit Score Range	Avg. Rate	Monthly / Total Payment	Scores Range
Minus 550 Extremely Risky	17.19%	\$536/\$19,296	May not get approved for a loan altogether.
Poor 550-649	11.01%	\$491/\$17,676	May get a loan but at a very high rate.
Average 650-699	7.30%	\$465/\$16,740	Rate may vary greatly.
Good 740-749	5.13%	\$450/\$16,200	Most lenders will approve it.
Excellent 750 +	3.70%	\$441/\$15,876	Lowest rates, PMI & down-payments available.

Note: The difference between the highest payment and the lowest is \$3,420



How to Build or Rebuild Your Credit Score

- Order a detailed credit report
- On time payments build credit.
- Make a SMART plan to repay your debt.
- Don't deal with collectors unless you are ready to make an offer.



Credit 101 Top Tips

- Keep your balances as low as possible
- Apply for credit only as needed
- Never close credit card accounts without a plan
- Ask for help - [Call JPNDC Program staff!](#)



Our Team

Family Prosperity Services



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Thank you for watching!

if you would like further assistance or information, please contact us:

- Learn more at JPNDC.org/family-prosperity
- Call our office at **617-522-2424**
- Email our team at prosperity@JPNDC.org

