Name:

Date:

School:

Facilitator:

3.03 Credit Report Scenario

Total Points: 40

**Read Carolina Blue’s credit report below. Carolina is seeking a bank loan to purchase a new vehicle. Analyze Carolina’s credit report and answer the following questions to determine if Carolina should receive the loan.**

# ****CAROLINA’S CREDIT REPORT SUMMARY****

| **Free Credit Reporting Agency Credit Report**  **Credit Score** | Free  $5.95 |
| --- | --- |
| **Total** | $5.95 |

| **Credit reporting agency credit report prepared for:** | **Your report number is:** | **Report date:** |
| --- | --- | --- |
| CAROLINA BLUE | 987654321 | April 16, 2019 |

Credit reporting agencies collect and organize information about you and your credit history from public records, your creditors and other reliable sources. By law, we cannot disclose certain medical information (relating to physical, mental, or behavioral health or condition). Although we do not generally collect such information, it could appear in the name of a data furnisher (i.e., "Cancer Center") that reports your payment history to us. If so, those names display in your report, but in reports to others they display only as "Medical Information Provider." Consumer statements included on your report at your request that contain medical information are disclosed to others.

Report summary:

* There are 5 potentially negative items in your report.
* Check the recent requests for your credit history.
* Check your personal information.

## ACCOUNT INFORMATION

These items may stay on your credit report for as long as they are open. Once an account is closed or paid off it may continue to appear on your report for up to ten years.

This information is generally removed seven years from the initial missed payment that led to the delinquency. Missed payments and most public record items may remain on the credit report for up to seven years, except Chapters 7 and 13 bankruptcies, which may remain for up to 10 years. Transferred accounts that have not been past due remain up to 10 years after the date the account was transferred.

| Company Name | Account Number | Status | Date Opened | Last Reported | Type | Monthly Payment | Responsibility | Credit Limit | Recent Balance | Account History |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Searmores | 123-01 | Open, Past Due | 07/08 | 06/19 | Revolving | N/A | Individual | $3,000 | $3,300 | 60 days past due |
| City Visa | 22 | Open, Past Due | 01/09 | 05/19 | Revolving | N/A | Individual | $2,500 | $1,500 | 30 days past due |
| The Boor | 123-02 | Open, Past Due | 07/10 | 01/19 | Revolving | N/A | Individual | $1,200 | $958 | 30 days past due |
| The Dock | 123456 | Open, Past Due | 12/11 | 02/19 | Revolving | N/A | Individual | $2,500 | $1968 | Past due |

## RECORD OF REQUESTS OF YOUR CREDIT HISTORY

### **Inquiries Shared with Others**

We make your credit history available to your current and prospective creditors and employers as allowed by law. Experian may list these inquiries for up to two years so that you will have a record of the companies that accessed your credit information. The section below lists all of the companies that have reviewed your credit history as a result of the action you took, such as applying for credit or financing, or as a result of collection. The inquiries in this section are shared with companies that view your credit history.

| Company | Date of Request |
| --- | --- |
| Tarmore | 07/03/18 |
| See-N-Save | 07/03/18 |
| Wally World | 07/03/18 |

### **Inquiries Shared Only With You**

You may not have initiated the following inquiries, so you may not recognize each source. We report these requests to you only as a record of activities, and we do not include any of these requests on reports to others.

| Company | Date of Request |
| --- | --- |
| Our Credit is For You! | 08/10/18 |

## PERSONAL INFORMATION

**Name**: Carolina N. Blue **Employers:** Martyes, Biscuit Cook

**Addresses:** 104 Good Ln.

**Date of birth**: 07/27/92

**Type of Residence**: Apartment

**Telephone Numbers**: 555.123.4567

**Addresses**:

101 Hopeful Ave.

555.100.0000

**Type of Residence:** Multi-family

# Questions

1. Look at the last three columns of the chart in Carolina’s credit report showing account information. List three specific items from these columns that suggest she is a high risk borrower. Be sure to list the company and why each is a problem.



   4. How many credit accounts does Carolina currently have?
   5. How many companies requested to view Carolina’s credit history in 2018?
   6. Based on the number of accounts Carolina already has and the number of requests she has made for new credit, do you think Carolina is managing her credit accounts wisely? Why or why not?
   7. How many accounts does Carolina have that are 60 days past due?
   8. How many accounts that are 30 days past due?
   9. How many accounts that are always paid on time?
   10. How many accounts is her recent balance over the credit limit?
   11. How many accounts is her current balance less than half her credit limit?
2. What is the total amount of Carolina’s current recent balances (her total debt)?       From the information you read about how to build a good credit score, do you think is it a good that the total of her recent balances is almost as large as her credit limit total? How do you think this will affect her credit score? (2 points)

| **Answer** |
| --- |
|  |

1. Would you lend money to her? Support your answer with **two** reasons.

| **Answer** |
| --- |
|  |

1. List five strategies Carolina can implement to help improve her credit rating. Hint: Excellent strategies can be found in the “Credit Score Basic” article on the Building and Maintaining a Good Credit Score tab in the Learn section of the lesson.