



HOW DO I KNOW MY CREDIT SCORE AND WHAT DOES IT MEAN?

What is my credit score and how do I find it?

Your credit score is a record of your past ability to make your payments as required and manage your credit. Lenders use your credit score as an important factor of how likely you are to repay your loan. One of the agencies from which you can access your score is Equifax.

Equifax Canada: http://consumer.equifax.ca/home/en_ca

Tel: 1-800-465-7166 Fax: 514-355-8502

You can order your report by mail for free or online for a fee. Visit the AWE website to download the free Equifax report request form. More information can be found on the Industry Canada, Office of Consumer Affairs website: <http://www.ic.gc.ca/eic/site/oca-bc.nsf/eng/ca02179.html>.

What forms of ID are acceptable?

In order to access your credit score from Equifax, you will need valid identification in one of the following forms:

Driver's License

Canadian Passport

Certificate of Indian Status

Birth Certificate

Permanent Resident Card

Citizenship and Immigration Form

Health Card (excluding the provinces of ON, MB, and PEI)

Old Age Security Card

Department of National Defense Card

Social Insurance Card

What does my credit score mean?

Your credit score will range between 300 and 900 from Equifax. The rankings in Canada are not identical to the rankings in the United States so some scales you find may be deceiving. Additionally, different types of financing will have different ratings and requirements. In general, mortgage financing is the most difficult type of credit to qualify for; a credit ranking for mortgage financing is as follows¹:



Your credit score helps some lenders determine the interest and or fees you will be assigned if you are approved for a loan. Having a higher credit score can reduce the cost of borrowing money. Other lenders use credit scores as eligibility criteria for establishing minimum acceptable credit levels. In all cases, it is in your best interests to have a higher credit score.

¹ Source: What the Average Joe Needs to Know – Richard Moxley, 2012

How do I improve my credit score?

If your credit score is lower than expected, you should first ensure that the information contained in your report is accurate. After you have made sure the information is accurate, take a look at the reasons why so you can work to improve those sections.

Here are some tips from the Financial Consumer Agency of Canada (FCAC) on how to improve your credit score²:

- Always pay your bills on time. Although the payment of your utility bills such as phone, cable and electricity are not recorded in your credit report, some cell phone companies may report late payments to the credit-reporting agencies, which could affect your score.
- Try to pay your bills in full by the due date. If you aren't able to do this, pay at least the required minimum amount shown on your monthly credit card statement.
- Try to pay your debts as quickly as possible.
- Don't go over the credit limit on your credit card. Try to keep your balance well below the limit. The higher your balance, the more impact it has on your credit score.
- Reduce the number of credit applications you make. If too many potential lenders ask about your credit score in a short period of time, this may have a negative effect on your score. However, your score does not change when you ask for information about your own credit report.
- Make sure you have a credit history. You may have a low score because you do not have a record of owing money and paying it back. You can build a credit history by using a credit card.

² Source: www.fcac.gc.ca