



Your Credit Record

Consumer Education Series

CE106

When you apply for credit, the creditor must decide if you are a good credit risk. Will you pay what you owe? Will you make your payments on time? To answer these questions, creditors use information you give when you apply for credit. They also use information from your **credit record**.

What is a credit record?

A **credit record** is a file of information about a person's earning, spending and bill-paying. Private businesses called **Credit Bureaus** collect and sell this kind of information. They provide this service to banks, stores and other companies.

When you apply for credit, the creditor can get a copy of your credit record from the Credit Bureau. They use your credit record to check if you gave correct information on your application and to see if you are a good credit risk.

What information is in a credit record?

Your credit record has the following information about you:

- **personal information:** your name, address, age, and marital status
- **work history:** where you work now, where you worked before, how long you have worked, the kind of work you do, and your income
- **credit status:** the total amount you owe, names of your creditors, record of payments, and credit available
- **financial information:** where you bank, and the types of accounts you have.

Start a credit record

You may not have a credit record if you have not had credit in your name. This may make it difficult to get credit quickly when you need it. To start a credit record, apply for one of these types of credit:

- a store charge account
- a service package from your bank—they often include a credit card, or
- a small loan from your bank.

Build a good credit record

Once you have credit, you will build a good credit record if you:

- make regular payments
- pay your bills on time, for example—rent or utility bills
- keep a list of credit charges so you know how much money you have spent, and
- don't borrow more than you can afford to repay.



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Check your credit record

If you apply for credit and the creditor says no, you might have a **bad credit record**. A bad record means there is information on your file that makes the creditor see you as a bad credit risk. You can check your credit record to see what it says about you. To get a copy of your credit record *write a letter* to each of the Credit Bureaus in Canada. There are two companies:

Equifax Canada

Box 190
Jean Talon Station
Anjou, QC H1S 2Z2
Toll-free 1-800-465-7166
Fax 1-514-355-8502
Website: Equifax.ca

Trans Union of Canada

In Winnipeg:
Room 200, 5 Donald Street
Winnipeg, MB R3L 2T4
Phone: (204) 474-0635
Fax: (204) 474-0843
Or contact:
Consumer Relations Center
PO 338
LCDI
Hamilton, ON L8L 7W2
Toll-free 1-800-663-9980
Fax 1-905-527-0401
Website: TUC.ca

In your letter give this information:

- *Your first, middle and last names*
- *The address where you live now and any other address where you have lived in the past three years*
- *Your date of birth*
- *Photocopies of the front and back of two pieces of ID giving your current address and your signature*
- *Your signature.*



Avoid credit repair businesses

Some businesses advertise that they will improve your credit record. They charge a large fee. These businesses can improve your credit record only by correcting mistakes on your file. But you can correct these mistakes yourself, at no cost. If your poor credit record is because you have used credit carelessly, a credit repair business cannot change that.

Improve your credit record

If you have a bad credit record because of *mistakes on your file*, send a registered letter to the Credit Bureau. Explain what information is wrong and include proof if you can. For example, if your credit record says you missed payments, send a copy of your payment receipts.

If you have missed payments, or paid bills late, you need to change your bill paying habits so as to improve your credit record. Follow the ideas in the section ***Build a Good Credit Record***. In time, new information will go into your credit file and your credit record will get better.

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