Tools to Build, Maintain and Improve Credit

An Introduction to Experian Boost and Experian Go

October 25th, 2023

IN PARTNERSHIP WITH

Experian
Listening to the Webinar

- The audio for today’s meeting can be accessed using Computer Audio or by calling in by phone. If you select Computer Audio, please make sure your speakers are turned on, your headphones are plugged in, or your Bluetooth is connected.
- If you do not have sound capabilities on your computer or prefer to listen by phone, dial:
  - 1-877-853-5257 (toll free)
  - Meeting Code: 868 3780 8256
Captioning

• Real-time captioning is provided during this webinar.
• The captions can be found by clicking on the closed captions icon in your Zoom controls at the bottom of the screen.
• If you do not see the captions after clicking the button, please alert the host via the Q&A box.
Questions and Technical Issues

- **Questions**: Please use the Q&A box to submit any questions you have during the webinar, and we will address them accordingly.
  - If you have additional questions after the webinar, or if listening by phone, and are not logged into Zoom, please send your question(s) to Shelby Vasquez at svasquez@ndi-inc.org.
- **Technical Issues**: If you have technical difficulties, please use the Q&A box to send a message to Shelby Vasquez. If you are unable to use the chat, please email Shelby at svasquez@ndi-inc.org.
NDI WELCOME

Katie Metz

Director, Financial Resilience Center
National Disability Institute
The first national organization committed exclusively to championing economic empowerment, financial education, asset development and financial stability for all persons with disabilities for the past 18 years.

Mission

• Collaborate and innovate with diverse partners in the disability community and public and private sections to improve informed financial decision-making and financial health for people with disabilities nationwide.

• National Disability Institute: NationalDisabilityInstitute.org
Today’s event is hosted by:

[NDI logo]

With generous support from:

[Experian logo]
Welcome from Experian

Laura Mundy

*SVP, ESG, Ethics, Inclusion Governance and Transformation*

Experian
Tools to Build, Maintain and Improve Credit

October 25, 2023
Today’s Speakers

Laura Mundy (she/her)
SVP, ESG, Ethics, Inclusion Governance and Transformation

Christina Roman (she/her)
Consumer Education & Advocacy Manager

Sumera Moten (she/her)
ECS, Product Owner

Amita Kheterpal (she/her)
Director, Product Management
Gimme a Little Credit
Disclaimer

- The purpose of this presentation is to help you better understand credit reporting and to provide general information about how you can manage your credit report so that you can get the credit you need and want.

- For legal reasons I:
  - Cannot discuss issues specific to your personal credit report
  - Cannot advise individuals about how to improve their personal credit report or credit scores

- Cannot submit disputes regarding your personal credit report on your behalf

- Information regarding Experian policies and processes is current as of the date of this presentation, but may change.
Credit
It is a privilege you earn

The choice is yours.
What is credit?

Obtaining goods or services and paying for them at a later date under agreed upon terms

- Credit cards, mortgages and car loans
- Service contracts: cable television, telephone, utility service
- Your financial references
Credit does not equal debt

Build a positive credit history so you can get the best terms when you invest in debt.
The three national credit reporting companies

Credit reporting companies serve consumers and businesses by making possible:

- Instant credit
- Lower-cost credit
- Nationwide credit
- Widespread availability
- Account management
The credit cycle

1. You pay lender
2. Lenders update records
3. Lender shares history with credit reporting companies
4. Credit reporting companies share with new lenders
Credit reporting companies are like libraries
Credit reporting company clients check out information . . .

. . . only if they have a permissible purpose under the law.
The Fair Credit Reporting Act
Permissible Purposes

- Open or manage credit accounts
- Offers of credit
- Employment purposes
- Underwrite insurance
- A business transaction initiated by the consumer
- Court order or federal jury subpoena
- Valuation of risk of an investor
- Eligibility for government license
- Disclosure to consumer
Defining credit reports and their importance

What is a credit report?

• Your personal credit report includes a record of your financial accounts and obligations and the identification information associated with them

• This report is sometimes called a credit file or a credit history

• Credit reporting companies collect and organize data about your credit history from your creditors and bankruptcy public records
Defining credit reports and their importance

Why is it important?

• Lenders use credit reports and credit scores to gauge the likelihood that you will pay back a loan.

• A strong credit history enables you to obtain a credit card, home and auto loans and many other valuable credit services, and can affect the amount that you pay for those services.

• Reports are also used in other non-lending situations – employment checks, apartment rental applications, utilities, cellular phones, etc.

• Your credit report serves as your financial references to companies with whom you want to do business.
The players in the credit cycle

- Credit Reporting Companies
- The Government
- YOU
- Lenders
- Risk Score Modelers
Information comes from you

Information you provide in an application for credit, housing, or insurance is reported to credit reporting companies
What’s in a credit report?

- Identifying information
- Account information
- Bankruptcy public records
- Inquiries
- Dispute instructions
What’s **NOT** in a credit report?

Credit reporting companies do **NOT** store:

- Criminal background
- Medical information
- Buying habits / transaction data
- Income
- Bank account information
- Credit scores
How long is information kept on a report?

<table>
<thead>
<tr>
<th>Type of account</th>
<th>Time frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open accounts in good standing</td>
<td>Indefinitely</td>
</tr>
<tr>
<td>Closed accounts in good standing</td>
<td>10 years</td>
</tr>
<tr>
<td>Late or missed payments</td>
<td>7 years</td>
</tr>
<tr>
<td>Collection accounts</td>
<td>7 years</td>
</tr>
<tr>
<td>Chapter 7 bankruptcy</td>
<td>10 years</td>
</tr>
<tr>
<td>Chapter 13 bankruptcy</td>
<td>7 years</td>
</tr>
<tr>
<td>Credit inquiries</td>
<td>2 years</td>
</tr>
</tbody>
</table>
Common myths about credit reporting

- When paid, the bad debt will go away
- The credit reporting company denied me credit
- I’m not responsible for those charges on our account
- A divorce decree separates joint accounts
- Consumers must give their permission for a report to be issued
- Requesting your own report and preapproved offers harm your credit history
- There is only one credit score and it is on every report
What is a credit score?

- Used instead of a manual “score sheet”
- Valuable risk management tool
- Many different models, with many different scales available from many different sources
- Credit reporting companies often “apply” the model selected by the creditor when delivering the credit report; however, the credit scoring model, or formula, is proprietary to the developer
Risk factors are the key

• Generated when a risk score is calculated
• Tell the consumer what to address in their credit history to become more creditworthy
• Are largely consistent from model-to-model
• Are usually included in or described in an adverse action notice
• Experian provides risk factors to consumers with the scores it provides through its direct-to-consumer services
VantageScore® 4.0
Characteristics Contributions

Payment History, 41%
Utilization, 20%
Balances, 6%
Depth of credit, 20%
Recent credit, 11%
Available credit, 2%
Ten Rules for Managing Credit

1. Establish a credit report
2. Always pay as agreed
3. Get a credit card
4. Use caution in closing accounts
5. Apply for credit judiciously
6. Time is key
7. Demonstrate stability
8. Have a plan
9. Put credit to work for you
10. Share your knowledge
Free Credit Reports and Scores: Experian Credit Monitoring

- [www.Experian.com](www.Experian.com)
- Free Experian credit report and FICO Score
- Report and score refreshed every 30 days
- FICO score monitoring with Experian data
- Experian credit monitoring and alerts
- Free dark web surveillance report
- Credit card and loan offers matched for you
- No credit card information required
Centralized source for free reports
www.AnnualCreditReport.com

• One free report from each of the three bureaus is available every twelve months

• Single contact point:
  • Telephone – 877.322.8228
  • Mail
  • Internet

• Fee for credit score disclosure
Experian education resources
On the Web

• #CreditChat
  • Weekly Twitter chat began in 2012, helping our community learn about credit and other personal finance topics (e.g. saving money, paying down debt, improving credit scores, overcoming barriers to financial inclusion and financial success)
  • ex.pn/CreditChat

• Experian.com
  • Comprehensive Blog with advice for consumers on everything related to credit, credit cards, loans and identity theft protection.
  • www.Experian.com/CreditEducation
    Ask Experian advice column, sample consumer report, frequently asked questions
  • www.Experian.com/ConsumerEducation
    Electronic versions of our published materials, sample credit report, videos, PowerPoint presentations with talk notes and more
There are millions of US consumers with “think credit files” or limited paths to financial inclusion, and there has rarely been an opportunity to improve the process…until now!

100M consumers could benefit from greater access to credit

79M with FICO® Scores below prime

53M have no file or sparse data on record
Experian Boost® empowers YOU to instantly impact FICO® Scores.

Experian Boost was created with the goal of helping you take control of your financial future.
How it works

- Connect the account(s) you use to pay your utility bills
- Choose and verify the positive payment history you want added to your Experian credit file, including streaming services, some rent and insurance payments
- Like magic, you’ll get to see a real-time re-calculation of your FICO® Score
- You have the option to stop contributing this data at any time
Boost your FICO® Score instantly!

Get credit for the bills you already pay with Experian Boost™—like utilities, video streaming services and now rent.

Start your boost

---

BETA

Let’s see if your rent could boost your FICO® Score too

If you pay rent online, you might be able to add it to Experian Boost™—along with your other bills. Find out if your rent payment is eligible.

Get started
experian | Boost

Add an account you use to pay bills

Why is this necessary?

Enter bank or credit card name

- CHASE
- WELLS FARGO
- BANK OF AMERICA
- Finbank
- CapitalOne
- us bancorp
- AMERICAN EXPRESS
- DISCOVER
What Experian wants to know

These are all the accounts that can be shared with Experian:

☐ Select all accounts
☐ CHASE CHECKING (...2039)
☐ CHASE SAVINGS (...7893)
☐ CREDIT CARD (...2752)
☐ Include new, eligible accounts automatically.

Next

Cancel

Scanning for bills...

This may take a few minutes
Almost done! One more step to get your boost.

SIMULATED SCORE

724  +4 PTS

Nice! Your score could go up by 4 points!
Adding these on-time bill payments to your file will help build your long-term financial health. Keep it up!

WIRELESS
Verizon
Chase

Add to Boost

Connect more accounts

Congrats!
You got a 12-point boost

FICO® Score 732
300 - 850

Your FICO® Score increased from 700, moving you to a higher score band. This means you may qualify for better financial options that can save you money. Yay!

Explore more ways to take control of your credit and finances

PLAN AHEAD
Score Planner
See the top actions you can take to reach your target FICO® Score.

TRACK YOUR SPENDING
FICO® Score Simulator – Step 1
In the Credit profile of the Experian app, select ‘View FICO® Score Simulator’
FICO® Score Simulator – Step 2

Toggle account types by selecting them from the top menu.
FICO® Score Simulator – Step 3
See how different actions you make may impact your FICO® Score and get an explanation of your simulated score.
FICO® Score Planner – Step 1

In the Credit profile of the Experian app, select 'View FICO® Score Planner'
Set a target in the Score Planner.
Set a target in the Score Planner and select the timeframe for your when you’d like to reach your goal.
FICO® Score Planner – Step 1

Get a custom action plan and see the top actions to take to reach your target

Your action plan

A slightly lower target FICO® Score 8 of 838 could be met within 12 months with the following actions:

- **Reduce your total revolving/open account balances of $5,968 by $249 each month for 12 months.**
  
  How much you owe is one of the factors FICO® Score considers, so reducing your $5,968 balance can help.

- **Continue to make your monthly installment loan payments on time to reduce the total installment loan balances of $311,949 you owe.**
  
  Your balance on an installment account decreases every time you make a payment, which can help your utilization rate and FICO® Score.

- **Pay all your bills on time for 12 months.**
  
  Consistently paying bills on time is a very important factor considered in a FICO® Score.
JUST LAUNCHED:
Experian Smart Money
Introducing Experian Smart Money™ Digital Checking & Debit Card

Build credit without the debt. The experts at Experian® have created the new Experian Smart Money™ Digital Checking Account & Debit Card.
Account Opening & Benefits

✓ Build credit using your bills
✓ $50 bonus with direct deposit
✓ No monthly fees, no minimum
✓ Secure and FDIC insured up to $250,000
✓ Start using your debit card instantly
✓ 55,000+ no-fee ATMs nationwide
✓ Track bills, spending & subscriptions
✓ Deposit cash at popular retailers
✓ Customer support 7 days a week
Account Onboarding (Set PIN & Add to Digital Wallet)

Set your 4-digit PIN

CONFIRM PIN

Add Card to Apple Pay

"Experian Debit Card" will be available in Wallet.

Name: JACK SHEPHARD
Card Number: **** 9678

Add to digital wallet
Start using your debit card right away.
Account Onboarding (Add Funds pt. 1)

Add money to start spending
There’s no minimum amount, so you can choose what works for you.

Add money
Skip for now

Add money
$0.00
From

EXPERIAN ACCOUNTS
Experian Digital Checking: 7890 ($80.00)
EXTERNAL ACCOUNTS
+ Add external account

Choose from accounts you connected to Experian

For security reasons, some institutions will require you to sign in again.

Wells Fargo
- Checking (…2039)
- Savings (…7890)

Finbank
- Checking (…4555)

+ Connect a new account

Continue
Account Onboarding (Add Funds pt. 2)

Add money

$80.00

From
Wells Fargo Savings - 2039

To
Experian Digital Checking - 7890

Review & confirm

Amount
$80.00

From
Wells Fargo Savings - 2039

To
Experian Digital Checking - 9678

Add money

$80.00
Transfer in progress

- Initiated
  From Wells Fargo Savings to Experian Digital Checking
- Completed
  Within 4 business days
  Learn more

It may take up to 4 business days for your available balance to update. Transfers received after 11:59 pm MST will take an additional business day. See transfer limits.

Confirm

Done
Set up Direct Deposit

There are **two ways** to set-up your direct deposit.
Set up Direct Deposit – automatically through your employer
Set up Direct Deposit – through a pre-filled form
Manage Account & Debit Card Features

Digital checking account
- Account number: ********9678
- Routing number: 026073150
- Manage debit card
- Set up direct deposit
- Documents & legal
- Help center
- Close digital checking account

Manage debit card
- Show card info
- Lock card
  - You can't make purchases with a locked card. You can still use your digital checking account.
- Change PIN
- Replace card

Add to Apple Wallet
ATM Finder
Access 55,000+ no-fee ATMs nationwide
Increase your financial power with the right information & tools

Scan the QR code, check out the tools & resources, and use code NDI23 to snag Experian IdentityWorks Core on us for 12 months

NationalDisabilityInstitute.org/Financial-Resilience-Center/Take-Action
Thank you!
Q & A
Time Permitting
Visit the Financial Resilience Center Online

FinancialResilienceCenter.org

Online Resource Center for People with Disabilities and Chronic Health Conditions

Resource Highlights:
FRC’s Identity Theft & Scams
FRC’s Credit Page (Also in Spanish)
FREE Premium Service Go/Boost Code

Take Action on Go/Boost Codes:

NationalDisabilityInstitute.org/
Financial-Resilience-Center/Take-Action
Thank You: Experian!