

# WHAT IS CREDIT?





Credit is the “trust” that allows one party to provide money or resources to another party when the receiving party cannot reimburse the giving party immediately, but can promise to either repay or return the money or resources at a later date.

Credit is important because it allows an individual to make large purchases (such as a home, a car, education, etc.) that he or she otherwise may not be able to afford in an instant.

A credit score is a numerical prediction of how likely an individual is to pay back a loan based on information from their credit reports. A credit report is a record of a borrower’s history of repayment of his or her debts.



# CONTACT US:

-  41 N. Perry Street, Room 104, Dayton, OH 45422
-  937-496-7623
-  Clerkhelpcenter@mcoho.org
-  Monday-Friday 8:30AM to 4:30PM

To view our outreach schedule or find out more information, please visit our website at [WWW.COURTHOUSETOYOU.COM](http://WWW.COURTHOUSETOYOU.COM).



# OUR DIVISIONS:

- CIVIL: 937-225-4512
- CRIMINAL: 937-225-4536
- DOMESTIC RELATIONS: 937-225-4562
- RECORDS: 937-496-7762
- AUTO TITLE: 937-225-4480
- EASTERN MUNICIPAL COURT (HUBER HEIGHTS): 937-496-7231
- WESTERN MUNICIPAL COURT (TROTWOOD): 937-687-9099

 Find us on **Facebook**  
CLERK OF COURTS MIKE FOLEY

**BRIDGING THE JUSTICE GAP ONE CONSTITUENT AT A TIME.**

# EXPLAINING AND BUILDING CREDIT

**MIKE FOLEY**

MONTGOMERY COUNTY  
CLERK OF COURTS



# HOW CAN I BUILD MY CREDIT?

There are many ways to build good credit. Essentially, a borrower will want to ensure that they are paying at least the minimum payment on debts they owe each month and that these payments are being reported to the credit bureaus. A credit bureau is a data collection agency that gathers account information from various creditors and provides such information to a consumer reporting agency.

The 3 major credit reporting agencies in the United States are TransUnion, Experian, and Equifax.

Some tips to building and maintaining good credit or improving your current credit score include the following:

- Make on-time payments - set reminders or set up automatic payments on your credit accounts
- Improve your credit “mix” - have various types of credit such as personal loans, credit cards, car loans, etc.
- Report rent and bill payments to credit bureaus - your landlord may automatically report your rental payments OR you can report these payments on your own (this may include a fee)
- Keep your credit utilization low - try not to exceed a large percent of your available credit (for example, if you have a credit limit of \$10,000, try to keep your outstanding balance below \$3,000)

- Check your credit score often - having an understanding of your credit score and how it changes over time will help you understand what is and is not working for you
- Apply for a credit builder loan - a credit builder loan is an installment loan with fixed monthly payments to help build your credit (ask your bank or credit union for more information)
- Avoid being overwhelmed by credit - although it is important to have a credit “mix,” make sure you are able to manage and keep track of your open lines of credit
- Become an authorized user on a credit card



## WHAT IS CONSIDERED A “GOOD” CREDIT SCORE?

Your credit score will likely fall into one of the following categories:

- Poor: 300-579
- Fair: 580-669
- Good: 670-739
- Very Good: 740-799
- Excellent: 800-850

Remember - credit scores fluctuate! If your credit score is not where you want it to be, there are many ways to improve it and move forward.



**FOR MORE INFORMATION, PLEASE VISIT THE OHIO ATTORNEY GENERAL'S OFFICE**

