

Your credit score

Your credit score is a representation of your financial health at a specific point in time. There are many different ways to work out credit scores. The better your score is the lower the risk you are for a lender. Lenders may also have their own ways of arriving at credit scores. In addition, lenders must decide on the lowest score you can have and still borrow money from them. They can also use your score to set the interest rate you will pay.

Credit Score – Beacon or FICO Rating

The credit-reporting agencies Equifax and TransUnion use a scale from 300 to 900. This is a numerical system generally called your Beacon or FICO score. Your credit score: how it is viewed by lenders

- 300-575 is considered 'Poor'
- 576-629 is considered 'Fair'
- 630-679 is 'good'
- 680-750 would give you an 'excellent' rating
- 750-900 is the top rating you can get.

Credit Score - North American Standard Account Ratings

Each piece of credit history information in your credit file may be assigned a rating by the credit grantor (the lender). The most common ratings are "O, I and R" ratings. This letter is then matched with a number indicating the status of the account from 'paid on time which would likely be a "1" up to a "9" rating which generally means 'bad debt or in collections'.

| Letter | Type of credit | Example |
|--------|----------------|---|
| O | Open | Most utilities, cellular service and some gas station cards |
| I | Installment | Loan |
| R | Revolving | Credit card |

'Letter' represents either "I", "O" or "R"

| | |
|------------|--|
| 'Letter' 0 | Too new to rate; approved but not used |
| 'Letter' 1 | Pays (or paid) within 30 days of billing or pays as agreed |
| 'Letter' 2 | Pays in more than 30 days but less than 60 days, or not more than 2 payments past due |
| 'Letter' 3 | Pays in more than 60 days from payment due date, but less than 90 days, or not more than three payments past due |
| 'Letter' 4 | Pays (or paid) in more than 90 days from payment due date, but not more than 120 days, or four payments past due |
| 'Letter' 5 | Account is at least 120 days overdue, but is not yet rated "9" |
| 'Letter' 7 | Making regular payments through a special arrangement to settle your debts re: O.P.D. or Proposal |
| 'Letter' 8 | Repossession (voluntary or involuntary return of merchandise) |
| 'Letter' 9 | Bad debt; placed for collection; moved without giving a new address; bankruptcy |

Trustees do not report to or have access to Credit Bureau information; your creditors and the Office of the Superintendent of Bankruptcy (OSB) report to the credit bureaus.