

## LifeSmarts U Personal Finance

### Content Vocabulary: Credit Reports and Credit Scores

All About: Credit Reports and Credit Scores	
authorized user	Secondary account holder on a credit card, may make purchases, but is not responsible for payment
cash advance	Short term loan offered by your credit card issuer
collection	Past-due bill that has been sent to a third-party debt collector
co-signer	A person who agrees to repay the loan in the event the primary borrower does not; a cosigner is considered a co-borrower and is equally responsible for repayment of the loan
credit bureau	For-profit company that is in the business of accumulating, storing, and distributing credit information
credit history	Record of how a consumer has repaid credit obligations in the past
credit report	Written report, issued by a credit bureau, containing relevant information about a person's creditworthiness
credit score	A number generated by a statistical model used to objectively evaluate information pertaining to a credit decision
creditor	Lender or someone to whom you are financially indebted
default	Failure to make payments or to meet the terms and conditions of the loan or other debt
delinquent	Failure to make an on-time minimum payment on a loan or other debt
FCRA	Fair Credit Reporting Act; Federal law governing how credit bureaus collect and share information about consumers, who may lawfully access credit reports, and providing consumers with access to their own reports
FICO® scores	Three-digit number based on the information in your credit report; helps lenders determine how likely you are to repay a loan
inquiry	Item on a consumer's credit report that shows someone with a "permissible purpose" has requested a copy; hard inquiries, such as applying for a credit card or loan, affect your credit score, soft inquiries, such as checking your report yourself, do not
interest rate	The amount charged, expressed as a percentage of principal, by a lender to a borrower for the use of money
minimum payment	The smallest payment you can make to maintain a credit account on current status
secured credit card	The use of savings or other collateral to guarantee a credit card; the amount of credit is based on the amount of collateral available
utilization	Amount of money borrowed compared with the amount of credit extended