

Maintaining a Good Credit Report

NAME:

GROUP:

INSTRUCTIONS

A number of factors influence a consumer's credit score. For each of the situations below, determine:

- 1) if the consumer's credit score will be positively or negatively affected, or if there will be no effect;
- 2) why the credit score will be positively or negatively affected or will remain the same;
- 3) what the consumer must do to improve his or her credit score, where applicable.

Situation 1

Since I finished my studies and have begun my first job in my field, I'm able to begin paying off my student loan on time every month.

Will the credit score increase, decrease, or stay the same?

Why?

How can this credit score be improved?

Situation 2

I pay my cell phone bill in full every month.

Will the credit score increase, decrease, or stay the same?

Why?

How can this credit score be improved?

Situation 3

Because I wasn't making my computer payments to the store, my account was transferred to a collection agency.

Will the credit score increase, decrease, or stay the same?

Why?

How can this credit score be improved?

Situation 4

I took a trip this winter, I had to have my car repaired lately, and I bought new furniture for my bedroom, plus a television set. I paid for everything with my credit card for a total of \$4,947.
Since my credit card limit is \$5,000, there is no problem.

Will the credit score increase, decrease, or stay the same?

Why?

How can this credit score be improved?

Situation 5

In the past six months, I applied for a new credit card, then purchased a television set and took advantage of the store's "36 instalment" promotion. I also signed a two-year contract with a cell phone provider. Finally, the landlord of my new apartment asked me permission to request information concerning my credit history before I signed the lease.

Will the credit score increase, decrease, or stay the same?

Why?

How can this credit score be improved?
