

## Frequently Asked Questions about Credit

### 1. What is a credit history?

Your credit history is a detailed and objective statement of your credit activity. It is divided into several sections, which may include: consumer information (ID number, address, birth date and employment, etc), consumer statement, account histories, public records, inquiries and creditor contacts.

### 2. What type of information is contained in my credit history?

Your credit history is composed of information from companies that you do business with or that have granted you credit and that may report that information to TransUnion. Those companies - banks, credit unions, utility companies, and cellular phone companies – report your payment history to TransUnion.

### 3. How does credit history work?

TransUnion is a credit bureau that maintains records on consumers. TransUnion works with lenders, creditors, insurers and employers to update your information and then provide that information to authorized entities by you, such as a company from whom you are requesting credit. Here's an example of how the system works:

- When you apply for a new credit card, the creditor requests a copy of your financial history from the reporting agencies. This causes an “inquiry” to be recorded on your credit report.
- The creditor uses your credit history, along with other pertinent information, to determine what rates to offer.
- You start to use the new credit card and the creditor reports your activities to the credit bureaus generally every 30 days.
- The credit bureaus update your credit report as they receive new information from creditors or lenders.
- Your credit profile may change based on your financial activity. The next time you apply for a credit card or loan, the process repeats.

### 4. Who can access my credit history?

You may access your credit history as well as those entities that are authorized. Authorized entities may include those companies that are extending you some type of credit or with whom you are entering into some type of legal business arrangement, e.g. a contract or opening a bank account.

### 5. What is a credit score?

A credit score is a number that may be used by lenders in some countries as an indicator of how likely you are to repay your loans. Your credit score is generated by a mathematical formula utilizing the data from your TransUnion credit history. Lenders have been using credit

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scores as part of the lending decision for more than 20 years and they are widely used in many countries such as the United States, Canada, Colombia, Mexico, South Africa, and Hong Kong.

#### **6. How long does negative information stay on my credit history?**

How long negative information stays on your credit history may vary from country to country. In some countries, negative information, like a bankruptcy, may remain on a credit report for 5 years; late payments to credit grantors may remain on for 2 years. Payment patterns or a payment history is maintained for 24 months.

#### **7. What if there is an issue with the information on my credit report?**

If you find an issue with the information on your credit report, you can open up an investigation at any TransUnion office. Additionally, you can try contacting the creditor or lender associated with the information. These companies can usually correct the mistake and send an update to the credit bureaus. Remember, TransUnion is a neutral facilitator of information, that is, we maintain and provide the information that is supplied to us.

#### **8. How can I improve my credit history?**

Keeping your credit history healthy will may improve your credit scores and may help get you the best rates on major purchases. Routine check-ups of your credit report along with paying your bills on time and correcting any inaccuracies will help you maintain a healthy credit history.

#### **9. How can I access my information?**

You can access your credit history by visiting a TransUnion office in the countries in which we operate. We have trained professionals to assist you with questions you might have regarding your credit history.

#### **10. Who grants or denies my application for credit?**

Each credit grantor has its own criteria and procedures for granting credit. Your credit history is one of the tools utilized by the credit grantors to assess their risk.