



ANALYZING A CREDIT REPORT & SCORE SIMULATION

STUDENT SECTION

Simulation Overview	Digital Literacy Tool: Mint
----------------------------	------------------------------------

In today's activity, you will be using **Mint**, an online platform and mobile app to learn about credit reports and scores. The financial tool – **Mint** – is used by millions of people to manage their own finances. Since every person's financial information is private, when you log in to **Mint**, you will be looking at fictional data for a person named Scott.

Scenario for "Analyzing a Credit Report & Score"	Task (Individually, with a Partner or in Small Groups)
---	---

Scott is a 24-year-old who graduated from college and works as a sound engineer. One bad habit that has followed Scott from his college days into his new workplace is his indifference to being late. His grandma always kids him, "You're going to be late for your own funeral." Scott has a college loan and an auto loan payment each month. Scott also has a credit card that is nearly at its limit. A few times he has been late making his payment on these credit accounts.

Directions	www.mint.com
-------------------	--

Follow the steps below to begin exploring the financial tool **Mint**.

Please note: For additional assistance, screenshots are available

1. Read Scott's scenario to understand some background information.
2. Follow your instructor's directions for logging into **Mint**.
3. Find the **Transactions** and **Credit Score** tab on the Dashboard.
4. Work to analyze the different sections of Scott's credit report and provide answers to the questions posed on the "**Analyzing a Credit Report and Score**" worksheet.

DISCLAIMER:

To access Mint successfully, use the same computer or device every time or you will be forced to re-create a new account. Also, keep your username and password recorded in a safe place.

If you lose your login information, there is no way to reset or recover it.

ANALYZING A CREDIT REPORT & SCORE

STUDENT SIMULATION WORKSHEET

Name(s): _____

Directions: To complete this activity, you'll be in **Overview**, **Transactions** and **Credit Score** tabs.
The final question will take you out of Mint to TransUnion's website.

PART 1: OVERVIEW & TRANSACTIONS

Scott is currently in debt. From the **Overview** tab, we see the total debt owed on each account. Then, switching to the **Transactions** tab, we can look for his most recent payment for each.

	TOTAL	RECENT MONTHLY PAYMENT
1. Scott's Auto Loan	\$	\$
2. Scott's College Loan	\$	\$
3. Scott's Credit Card	\$	\$

Scott was recently charged a late payment fee for one of his debt accounts.

4. What is the amount? \$

PART 2: CREDIT REPORT

Scott's credit score is shown at the top, followed by the factors that make up the score.

5. What is Scott's credit score?

6. Scott's overall credit score is considered:
 Excellent Very Good Good Fair Poor

7. Scrolling down, list the six (6) factors that impact Scott's credit score. Then, put a checkmark next to the two that are considered "high impact" on Scott's score.

Look at the **On-Time Payments** section of the Credit Score tab.

8. What is Scott's ranking on this area?
 Excellent Very Good Good Not Bad Poor

In the On-Time Payments section, click on "View Details" to see Scott's entire payment history.

9. What percent of payments has Scott made on time? %

10. How many late payments has Scott had on all his Mil Star account?

Look at the **Credit Usage** section of the Credit Score tab.

11. What percent of Scott's total credit available is he using? %

12. A year ago Scott was using 50% of his credit and had a lower score. Therefore, do we learn from Scott and Mint that it is better to:

- Use as much of your credit limit as you can and/or max out your cards
- Use as little of your credit limit as possible and/or apply for increased credit limits

Look at the **Average Age of Credit** section of the Credit Score tab.

13. What is the average age of Scott's credit? years

14. According to Mint, lenders prefer people who have a history of established credit.

Look at the **Your Total Accounts** section of the Credit Score tab.

15. How many total accounts does Scott have?

16. Having this number of accounts gives Scott a poor rating. That implies that a good score is earned by having: Very few accounts Many accounts: loans and credit cards.

Look at the **Your Credit Inquiries** section of the Credit Score tab.

17. How many total inquiries does Scott have?

18. Click on details of Credit Inquiries. Scott's inquiries came in 2017 when he was looking to get a loan for:

- College A House A Car A Credit Card

19. According to Mint, inquiries come when Scott for credit.

20. Credit Inquiries: Improve your score Have a negative effect on your score

For the last question, look at the disclaimer at the bottom of the page.

21. What is TransUnion? Also, how often is someone entitled to a complete free credit report?

Application to Real-World**Final Task: Building Good Credit****Exit Slip:**

Using a sticky note, index card, plain half sheet of paper, or below, write an answer to these two prompts:

Question

For credit, we saw that Scott's 92% on time payment translates into a bad score. Even though 92% seems high, it is not good enough for creditors. How would an employer, coach, or school rate you if you were late 8% of the time? If possible, use an example from your life.

Scenario

You find out a friend is going car shopping. They plan to visit 8-10 dealerships and look at all kinds of cars. Car dealerships often ask prospective buyers if they would like them to run a credit inquiry. What advice would you give your friend about having a credit inquiry at each dealership after what you saw in Mint about credit inquiries?

*Be sure to include your name on your exit slip.