

NEWSLETTER

GET THE FACTS: CREDIT SCORES

> What is a credit score?

Helps a lender predict how likely an individual is to repay a loan or make credit payments on time.

FICO scores, (most common) range from 350-850.

FACT: Credit scoring systems were designed for lenders, not consumers. This means that scores weren't created to be easy to understand. The formulas and details of how they work are a closely guarded secret.

> Why are scores different?

Each report uses slightly different information

There are over 100 different scoring models that are designed to predict more than just general credit risk. Ex: insurance risk, revenue potential, and bankruptcy potential.

FACT: Each agency maintains credit files on more than 250,000,000 consumers, but they don't share information with each other, making each score unique.

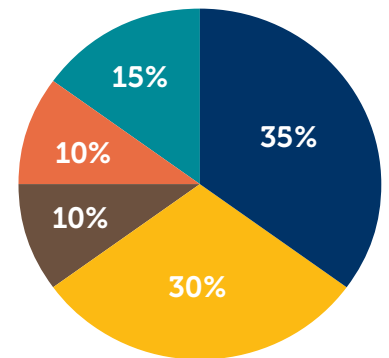
> What makes up your credit score?

What IS Included:

- ▶ Identification – name, SSN, DOB, current & past addresses
- ▶ Employment history
- ▶ Public records – tax liens, financial judgments, bankruptcies
- ▶ Payment history
- ▶ Inquiries

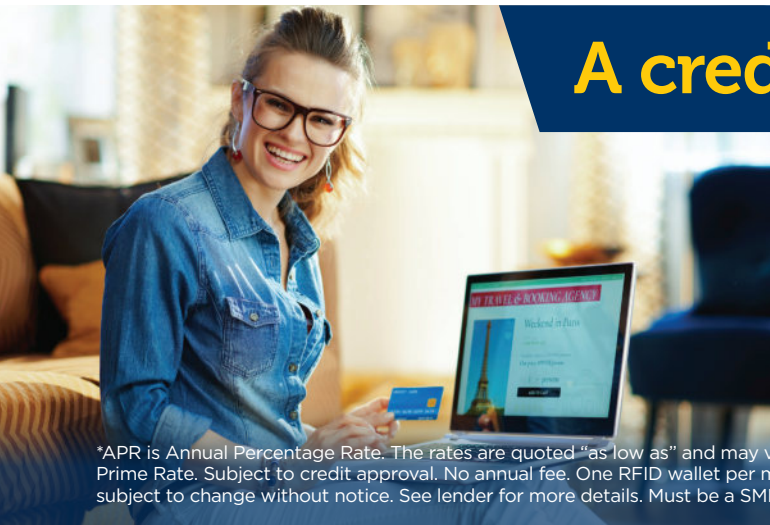
What IS NOT Included:

- ▶ Medical history & records
- ▶ Consumer buying habits
- ▶ Checking and savings account information
- ▶ Income and assets
- ▶ Bill payments



- Payment History
- Current Total Debt
- Types of Credit
- Requests for New Credit
- Length of Credit History

Cont'd on page 2



A credit card to get you there

With rates as low as 9.40% APR* it's easy to see why a Visa® Credit Card from South Metro is simply a better way to pay.

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When you apply for a new Visa Credit Card receive a **FREE RFID WALLET** to help protect your identity while traveling this summer.

*APR is Annual Percentage Rate. The rates are quoted "as low as" and may vary based on your creditworthiness and will vary with the market based on the U.S. Prime Rate. Subject to credit approval. No annual fee. One RFID wallet per member given with application and while supplies last. Terms, rates and conditions are subject to change without notice. See lender for more details. Must be a SMFCU member.



"If you don't take good care of your credit, then your credit won't take good care of you."
– Tyler Gregory

GET THE FACTS: **CREDIT SCORES**, continued

Want more information? We offer two great options that are **FREE** for our members!

Contact Alyssa Walford our Financial Education Specialist.

Alyssa offers one-to-one counseling to help you determine your goals and create a strategy to build credit and help manage debt. Her goal is to empower you with the mindset, tools and products it takes to make an impact on your financial health.



Alyssa Walford
Credit Union Certified Financial Counselor
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Visit MoneyEdu, our online Financial Wellness Center.

Whether you're just getting started or want to address a particular financial challenge, you'll find something for you with MoneyEdu. With hundreds of videos, calculators, interactive exercises, and topics to explore, there's always something new to learn. You can either create your own learning experience or meet with Alyssa to help get you started.



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Avoid overdraft fees and protect your peace of mind with our new Checking Line of Credit

Our checking line of credit is an affordable way to protect your assets if you were to accidentally overdraw your checking account.

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- ▶ Payments are 5% of the balance with minimum payments of \$50

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*APR is Annual Percentage Rate. Rates are quoted "as low as" and may vary based on your creditworthiness. Variable interest rate that will not be lower than 9.25% nor higher than 18%. Payments calculated as 5% of the outstanding loan balance with a minimum monthly payment of \$50.00 (unless loan balance is less than \$50.00). Due date the 25th of the month. Overdraft protection may only be set up to one South Metro Federal Credit Union checking account and one Line of Credit loan per member. Online advances available. Terms, rates and conditions are subject to change without notice. Must be a SMFCU member.



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QUESTIONS?
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