YOUR CREDIT REPORT

A good credit report and credit score are important factors in determining whether or not you will be approved for a mortgage. Here are some simple steps you can take to maintain a good credit history and improve your chances of being approved.

What is a Credit Score

Your credit score is a number that illustrates your financial health at a specific point in time. It also serves as an indicator of your financial past, and how consistently you pay off your bills and debts. This is one of the factors mortgage professionals consider in qualifying you for a mortgage.

How to Check Your Credit Score

To find out your credit score, contact Canada's two credit-reporting agencies: Equifax Canada at www.equifax.ca and TransUnion Canada at www.transunion.ca.

For a fee, these agencies will provide you with an online copy of your credit score as well as a **credit report** – a detailed summary of your credit history, employment history and personal financial information on file. You can also obtain a free copy of your credit report by mail. If you find any errors in your report, notify the credit-reporting agency and the organization responsible for the inaccuracy immediately.

If You Do Not Have a Credit Score
It's important to begin building a credit history as early as possible. You can begin to build one by applying for – and responsibly using – a credit card. Your financial institution or mortgage professional can help.

How to Improve Your Credit Score
Demonstrating your ability to manage credit is key to maintaining a good credit score. There are a number of things you can do to improve your credit score. These include:

- Always pay your bills in full and on time. If you cannot pay the full amount, try to pay at least the required minimum shown on your monthly statement.
- Pay off your debts (such as loans, credit cards, lines of credit, etc.) as quickly as possible.
- Never go over the limit on your credit cards, and try to keep your balances well below the limits.
- Reduce the number of credit card or loan applications you make.

Once your credit score has improved, work with your mortgage professional to obtain a mortgage that works for you.

Find Out More
To find out more about credit scores and reports, visit the Financial Consumer Agency of Canada website at http://www.fcac-acfc.gc.ca and download or request a free copy of their guide, Understanding Your Credit Report and Credit Score. This guide provides practical, straightforward information on how to obtain and understand your credit report and score, as well as how to build and maintain a good credit history.

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