

Transcript

What's the difference between a credit report and a credit score?

What is a good credit score? Like most things in life, there's no hard and fast answer. A good credit score depends on the scoring system used by your particular lender. Different scoring systems use different scales, and different lenders use different systems. But, if you have a good credit score from one of the three big credit reporting agencies, Equifax, Experian or TransUnion, you're likely to have a good score elsewhere. Most credit scores rank individuals on a scale from around 300 to 850. The higher the score, the less you are seen as a financial risk to creditors, prospective employers and landlords. According to myfico.com, for example, a score of 680 or higher would generally be considered good, with the national average being around 695.

A lower score can be caused by a lot of different reasons. Past behavior, for example, could mean your payment track record hasn't always been perfect. Recent behavior can also play a part, like if a person has just taken on some new credit. Not enough behavior can even have an impact, believe it or not. Let's just say a person just hasn't had enough time to develop a credit history. That makes it hard to evaluate you.

If your credit score isn't where you want it to be, there may be some things you can do to help it along.

Learning more about building your credit and how you can keep it healthy could be a good next step.