

Refresh Financial's Quick Guide to Credit

What is credit?

The simple answer:

Credit is just money that you borrow. You ask to borrow money from someone and they either say "sure" or "no way!"

Your credit report is a history of your payments over time.

This report reflects your previous ability to repay money that you've borrowed. It's represented by a number - AKA your credit score.



Your credit score matters when you want to borrow money from a lender.

Lenders use your credit score to decide whether to lend you money. If approved, the lender fronts a chunk of cash to you. In return you agree to pay the amount of money back, plus a fee, within a certain amount of time.



What is a credit score?

Your credit score is a number between 300 and 900, used to represent everything on your credit report. It's essentially your financial profile.



What's on my credit report that can affect my score?

Your full credit report lists all the credit decisions you've made over the past six or seven years:



How can I access my credit report and see my credit score?

Both your credit score and report are kept track of by credit bureaus.

The two bureaus that operate nationwide in Canada are Equifax and TransUnion.

If you want a complete idea of what your score looks like, it is best to request your credit report from both bureaus. You can request your credit report for free once a year, so long as you submit your request in writing. You can also check your score for free at refreshfinancial.ca

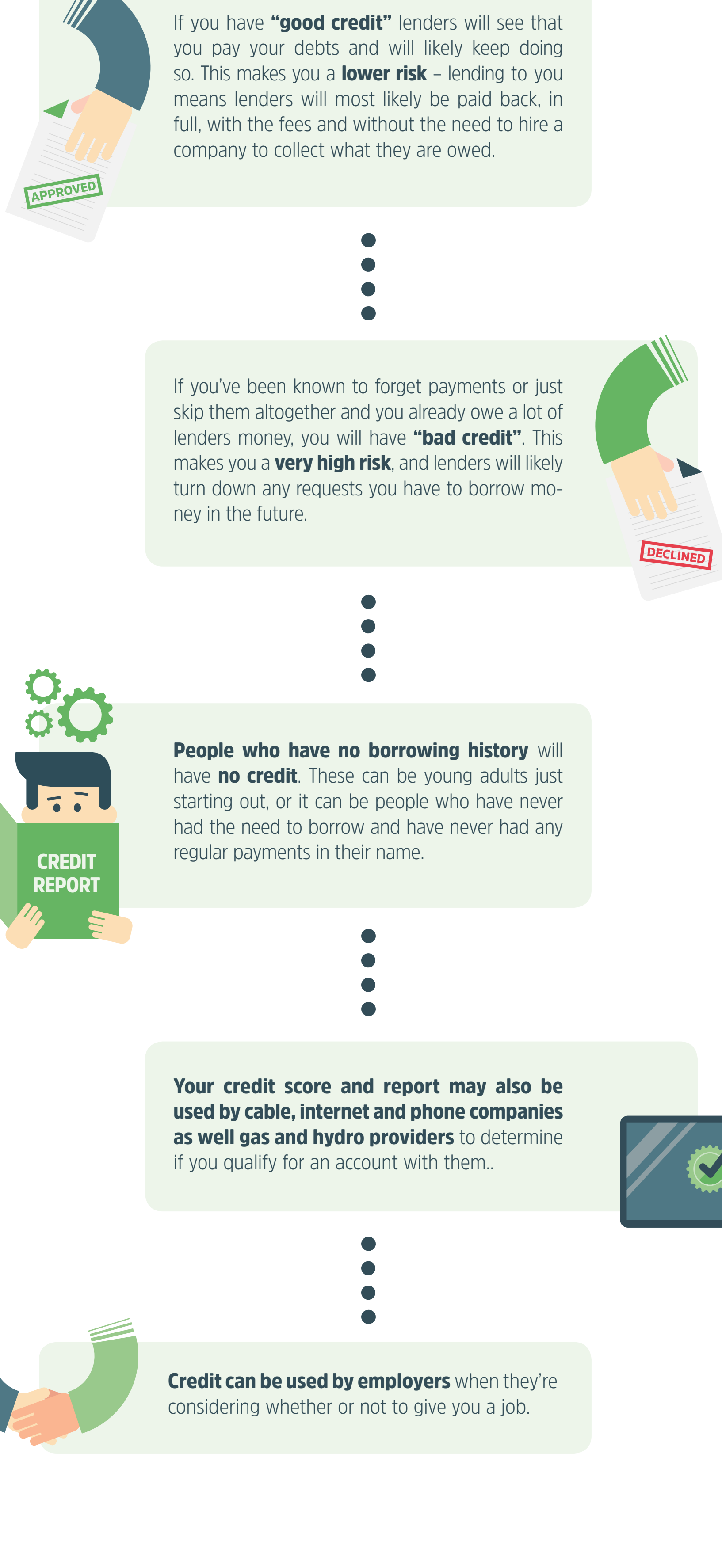
Check your credit report regularly to see whether:

- Your score is going up or down.**
- Your personal information is listed correctly.**
- There are any errors in your records or worse, you see records that are not yours.**

To check your credit score for free, go to refreshfinancial.ca/find-credit-score/

What does it mean to have "good credit" or "bad credit"?

Simply put, your credit score reflects whether you stick to your word when you agree to pay back money you've borrowed. Having **bad credit** makes you a **very high risk**, and lenders will likely turn down any requests you have to borrow money in the future, or charge **very high interest rates**.



Check out how much money you could be paying in interest for different types of loans.

The difference between good credit (paying prime rates) and bad credit (paying sub-prime rates) could be thousands of dollars!

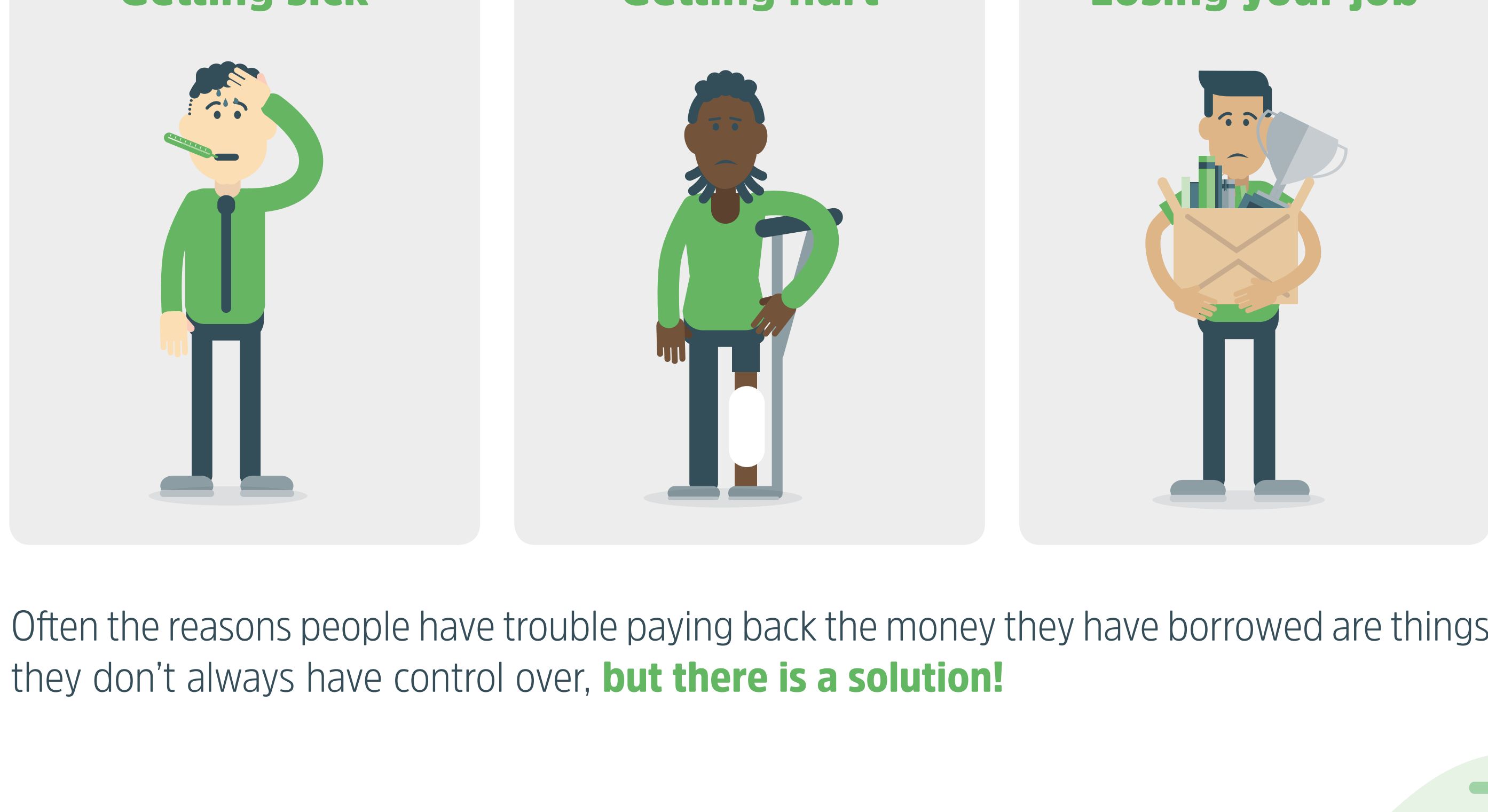
	Sub-Prime (560-619)	Near-Prime (620-674)	Prime (675+)	Interest saved from Sub-Prime to Prime
Cash loan (\$10,000)	\$9,400	\$3,300	\$1,600	\$7,800
Car loan (\$20,000)	\$5,400	\$3,700	\$1,500	\$3,900
Mortgage (\$300,000)	\$370,000	\$135,000	\$91,000	\$279,000

* Numbers are estimates

Having a **bad credit score** can cause a lot of problems in your life. You'll find it hard to get approved for anything less than very high interest loans.

I have bad credit. What can I do?

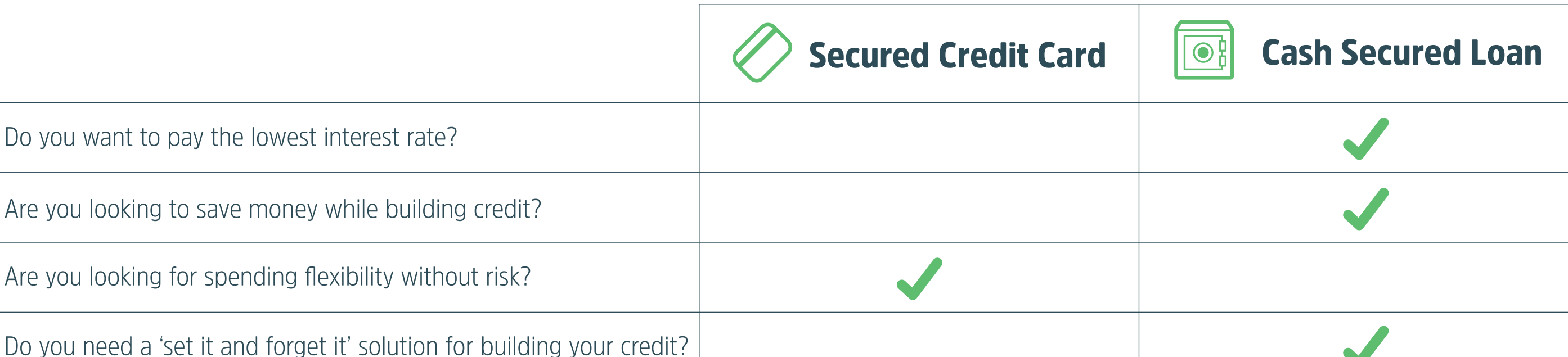
There can be many reasons why someone finds themselves in trouble with their lenders, for example:



Often the reasons people have trouble paying back the money they have borrowed are things they don't always have control over, **but there is a solution!**

How can I safely build my credit score?

There are several ways you can build credit. Three of the easiest ways are:



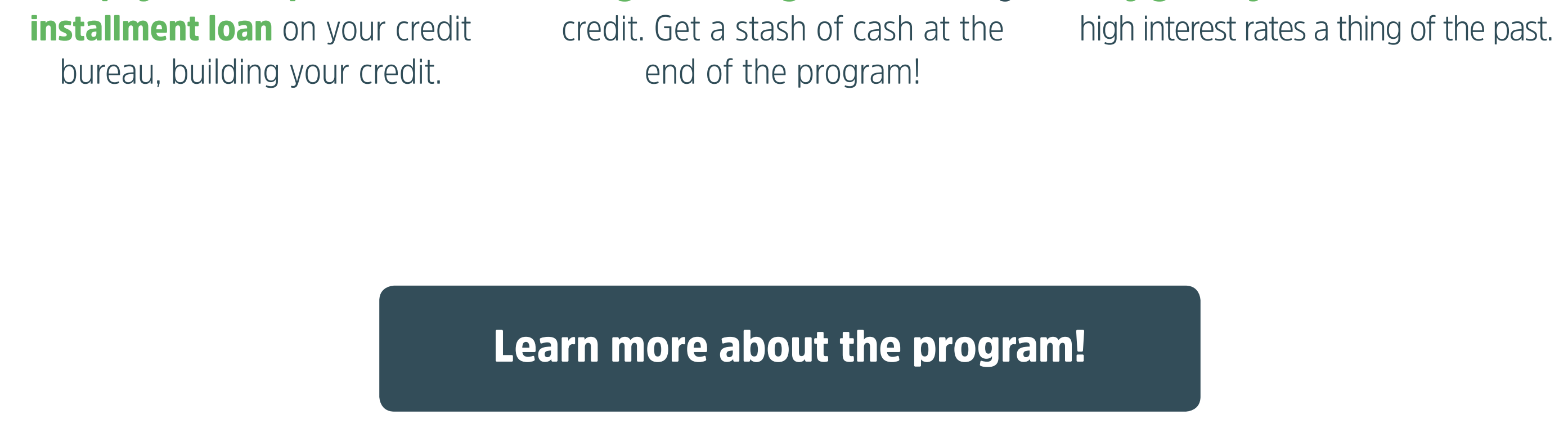
	Secured Credit Card	Cash Secured Loan
Do you want to pay the lowest interest rate?		✓
Are you looking to save money while building credit?		✓
Are you looking for spending flexibility without risk?	✓	
Do you need a 'set it and forget it' solution for building your credit?		✓
Do you want a solution that requires no money up front?		✓
Do you want to build credit without credit checks?	✓	✓

The 'Do both' scenarios

Looking to fast-track your credit goals? By getting the cash secured loan and the secured credit card, you are giving yourself the greatest chance to get ahead.

- Take a cash secured loan now, and get the secured credit card later.
 - You will eventually have two trade lines, which shows other lenders that you can manage both.
 - No deposit up front! You can use the savings you build with the loan as a deposit on your card!
- Start building credit with both today!
 - Two trade lines right away means you're doing everything you can to build your credit.
 - Combines the pros of both products - you get spending flexibility while also saving money.

Refresh Financial's Cash Secured Savings Loan!



[Learn more about the program!](#)