Economics

Credit Report Card

Your grade in a class is based on the quality of work that you complete (or don’t complete) during the term. Just like you get a grade, you will receive a credit score based upon what you have done (or not done) with your credit. Your credit report is a list of what you have available and what you have done with your credit accounts. Your credit score, like your grade in a class, is based on the items in your credit report. Just like tests in a class can have a bigger effect on your grade than homework, late payments can have a bigger effect on your credit score than new accounts.

Assign each person a credit score based on the information provided. Credit scores range from 330 to 830. Keep in mind what elements factor into calculating a score and how much weight they hold.

760-850: Excellent

700-759: Very Good

660-699: Good

620-659: Fair

300-619: Poor

Mark is a professional athlete, who makes $360,000 per year. He has 12 open accounts. Three of these are mortgages for his houses. A year and a half ago, he had a late payment on one of those mortgages. The others have all been paid on time. Four of his open accounts are car leases, which have all been paid on time. The other 5 accounts are credit cards. He made two late payments on one of those cards within the past 6 months, but he has paid the others on time. All of the cards carry a balance of more than 50% of the limit.

Score Range: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chris is a computer technician making $50,000 a year. He only has one credit card that has been open for just over a year. He has paid this on time every month. It currently has no balance. He has two collections from medical bills from over two years ago, but they have been paid off.

Score Range: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Jessica is a nurse who makes $60,000 a year. She has six open accounts. One is a mortgage that she had had for two years and always pays it on time. The other five accounts are credit cards that she has had for at least four years. She had one late payment on one of those cards 3 years ago, but otherwise, all are paid on time. One of the credit cards has a balance of 10% of the limit; the others have no balance.

Score Range: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Steve works for the city making $40,000 a year. He has two credit cards. He has had each one for three years. He made a payment on one of the credit cards more than 60 days late within the past year. That credit card currently has a balance of 80% of its limit. He made two payments more than 60 days late on the other credit card within the past two years. The second card currently has a balance of 75% of its limit. He used to have a car loan, but he could not afford the payments, so he let it get repossessed nine months ago.

Score Range: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Yolanda is in pharmaceutical sales making $70,000 a year. She has five open accounts. One is a mortgage that she has had for five months and pays on time every month. She also has a car loan that she has paid on time every month for two and a half years. The other three accounts are student loans that she has had for six years. One of those student loans had a payment that was 30 days late, but all other payments have been on time.

Score Range: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_