

Your Credit History Explained



Your credit history tells businesses how you handle money and pay your bills. It's important to know your credit history since it can affect whether you get a job, can rent an apartment, or get a credit card or loan — and how much you'll have to pay to borrow money.

What's my credit history?

Your credit history describes how you use money. It shows things like:

- ▶ how many loans and credit cards you have
- ▶ how much money you owe
- ▶ how long you've had credit
- ▶ if you pay your bills on time

The three nationwide credit bureaus — Equifax, Experian, and TransUnion — collect this information and put it in your credit report.

Read [Checking Your Credit Report](#) at consumer.gov/credit to learn how to order your report for free.

Why is my credit history important?

Your credit history tells businesses how you handle money and pay your bills. Your credit history can affect whether you get a job, can rent an apartment, or get a credit card or loan. It also affects how much you'll have to pay in interest to borrow money.

Positive information helps your credit. Positive information includes things like paying your bills on time and having low credit card balances. Negative information, like paying bills late, hurts your credit.



What if I don't have a credit history?

You might not have a credit history if:

- ▶ you've never had a credit card
- ▶ you've never gotten a loan from a bank or credit union

Without a credit history, it can be harder to get a job, an apartment, or even a credit card.

To find out how to build a credit history, read [Improving Your Credit](#) at consumer.gov/credit.

What's a credit score?

A credit score is a number that's based on your credit history. Each nationwide credit bureau creates a different score. Your credit score will usually range between 300 and 850.

It costs money to find out your credit score. Sometimes a company might say the score is free. But you might find that you signed up for a service that checks your credit for you. Those services charge you every month.

Before you pay any money, ask yourself if you need to see your credit score. You might not since if you know your credit history is good, your score will be good.

