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## Credit score basics you need to know

### YOUR FINANCE

NerdWallet

Getting your credit score nowadays is easy — just turn to your bank, credit card issuer or one of the many apps and websites out there.

That means millennials, unlike their parents, have the advantage of early insight into their financial profiles. But looking at them isn't enough. Without knowing the basics of credit, just scanning your data is like having the pieces to a puzzle, but not understanding how they fit together. Here's what to know.

#### You have many scores

You have multiple credit scores, not just one. Those scores vary, depending on:

- **What scoring model was used.** You've probably heard of FICO, the one most widely used by lenders. VantageScore is its fast-growing competitor.

- **Which version of FICO or VantageScore was used.** Each has a few — some older, some newer, some specific to financial products like credit cards or auto loans.

- **Which of your credit reports provided data to create the score.** Three major credit bureaus — Experian, Equifax and TransUnion — maintain a record of your credit use. The reports can be slightly different, depending on whether your creditors report activity to one, two or all three.

Lenders may pull different versions of the scores that you see, and you cannot always know which one they use for approval decisions, says Katherine Lucas McKay, program manager in the financial security program at the Aspen Institute, a Washington, D.C.-based think tank.

#### Forget the myths

When it comes to credit, common misconceptions get in the way of building good habits.

Scoring models consider the mix and number of accounts you have, but that matters much less than paying on time and keeping credit usage low. Making student or auto loan payments is enough to maintain a decent score, says Angela Moore, a certified financial planner at Modern Money Advisor in Miami. Credit cards are convenient, and many offer rewards, but if you cannot pay off monthly balances, you might pile up debt. Likewise, if an issuer offers you an increase, think carefully before accepting, says Lucas McKay. "If you use it just to increase your available credit but keep your spending the same, that's great. But if not, then think about how much more you are likely to spend with that increase."

One persistent myth: Checking your score hurts it. "You're not going to lose points for looking at your credit," says Angela Moore, a certified financial planner at Modern Money Advisor in Miami. Checking your own score triggers a "soft" pull on your credit, but doesn't affect your score.

A "hard" pull, on the other hand, occurs when you apply for a loan or a landlord asks to scrutinize your credit, for example. Hard pulls also go on your credit reports and can temporarily knock a few points off your score.

Moore says another misconception is that utility and cellphone payments help credit. Managing those bills responsibly is necessary, she says, but they don't affect your score — unless you forget to pay.

To prevent such surprises, use free services to scan your reports for accounts you don't recognize or forgot were open, Moore says. Also check your detailed credit reports from annualcreditreport.com; you're entitled to one free annual report from each bureau.

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Institution	Int Chking Acct Min	Money Mkt Acct Min	3 mo CD Min	6 mo CD Min	12 mo CD Min	18 mo CD Min	24 mo CD Min	36 mo CD Min	60 mo CD Min	Phone / Website
<b>Apple Bank</b> Apple Bank	0.50 2,500	1.25 2,500	1.60 1,000	2.15 1,000	2.50 1,000	2.55 1,000	2.60 1,000	2.70 1,000	2.80 1,000	<b>914-902-2775</b> www.applebank.com Call us for more details about our products and services.
<b>Bethpage Federal Credit Union</b> Bethpage Federal Credit Union	1.00 1	2.00 500	2.00 50	2.00 50	2.20 50	2.30 50	2.50 50	2.55 50	2.75 50	<b>855-446-0340</b> www.lovebethpage.com Ask about our 2.55% APY 39 Month "Bump Up" Certificate Account.
<b>BNB Bank</b> BNB Bank	NA NA	NA 1,000	0.10 1,000	2.12 1,000	2.40 1,000	2.17 1,000	2.22 1,000	2.28 1,000	2.53 1,000	<b>631-537-1000</b> www.bnbbank.com Call us for more details about our products and services.
<b>Empire National Bank</b> Empire National Bank	0.15 1,000	0.40 2,500	0.15 500	1.20 500	1.60 500	2.00 500	2.10 500	2.15 500	2.25 500	<b>631-348-4444</b> www.empirenb.com Ask us about our ePersonal and eBusiness MMA/Tiered MMA accounts.
<b>HAB Bank</b> HAB Bank	NA NA	0.90 1,500	0.25 1,500	0.75 1,500	2.16 1,500	2.26 1,500	2.35 1,500	2.45 1,500	2.65 1,500	<b>212-532-4444</b> <b>516-681-5200</b> www.habbank.com
<b>Hanover Bank</b> Hanover Bank	0.15 300	2.00 2,500	0.15 500	0.80 500	2.55 500	2.75 500	2.80 500	2.85 500	2.90 500	<b>516-548-8500</b> www.hanoverbank.com Please call for details on special Money Market rates.
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<b>Nassau Financial FCU</b> Nassau Financial FCU	2.00 0	0.85 75,000	0.50 1,000	1.25 1,000	2.20 1,000	2.30 1,000	2.50 1,000	2.55 1,000	2.80 1,000	<b>516-742-4900</b> www.nassaufinancial.org Ask about Free Kasasa Checking with 2.0% APY interest, and Cash Back rewards!
<b>NEFCU</b> NEFCU	3.00 1	2.00 25,000	0.30 1,000	1.25 1,000	2.00 1,000	NA NA	2.15 1,000	3.00 1,000	2.75 1,000	<b>888-763-2446</b> www.myNEFCU.org It's easy to earn 3% APY with out Go Green Checking! Ask us how.
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<b>Sperry Federal Credit Union</b> Sperry Federal Credit Union	1.75 0	0.75 50,000	0.30 500	1.25 500	2.65 500	2.80 500	2.85 500	2.60 500	2.80 500	<b>516-873-7171</b> www.sperryfcu.org 1.75% APY Sperry Reward Checking - No Minimum Balance!
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<b>Synchrony Bank</b> Synchrony Bank	NA NA	1.20 0	0.75 2,000	1.00 2,000	2.80 2,000	2.75 2,000	2.90 2,000	2.90 2,000	3.10 2,000	<b>800-869-3813</b> www.synchronybank.com Great Rates + Safety = Peace of Mind. Member FDIC.
<b>TFCU</b> Teachers Federal Credit Union	0.05 2,500	0.50 2,500	0.50 1,000	1.25 1,000	2.50 1,000	2.60 1,000	2.60 1,000	3.00 1,000	2.80 1,000	<b>631-595-0708</b> www.teachersfcu.org 8-month special! 2.00% APY

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