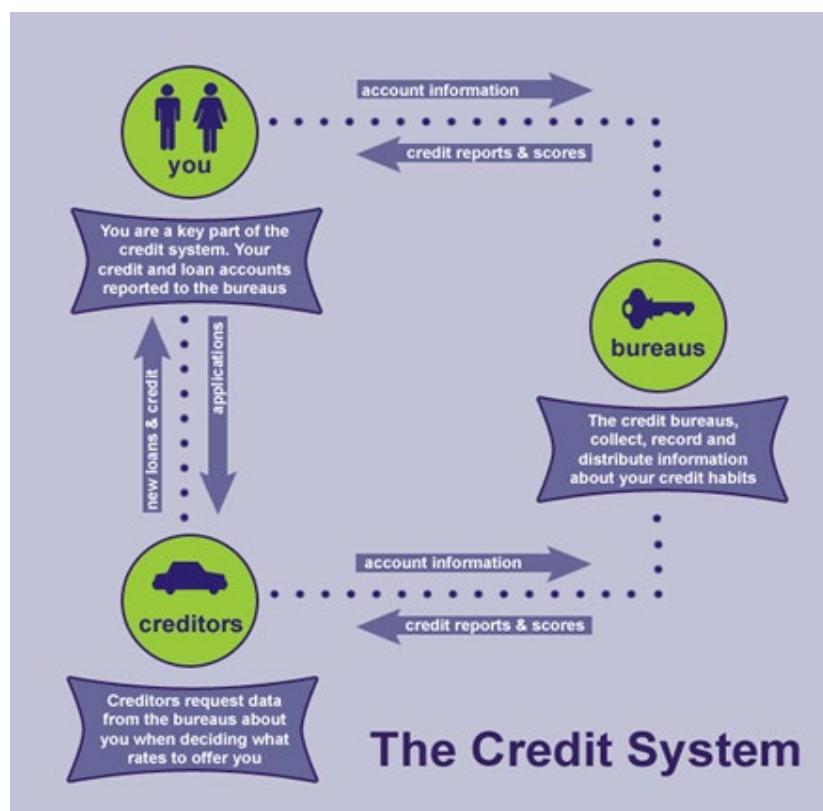


WORKSHOP 6

Understanding Credit

How Credit Works: The credit reporting system is made up of three main players: consumers, credit bureaus, and financial companies. Information about your credit card and loan accounts is reported electronically to the three national credit bureaus by each of your creditors every 30 days. These bureaus -- TransUnion, Equifax, and Experian -- collect and store your credit information for future reference.



The three national credit bureaus do not share information with each other. Because of this, your credit reports from TransUnion, Equifax, and Experian can contain significantly different information about you. It is important to monitor all three reports since you can never be sure which one will be used when you apply for a new account, loan, line of credit, etc.⁷⁴

⁷⁴ Original material from Peerlink National Technical Assistance Center.