

A DMP and Your Credit Report

Knowing what is on your credit report and understanding the information can be important. Landlords, lenders, utility companies, insurance providers, and other employees may use credit reports to decide whether or not to approve an application or determine the cost of the service or credit provided to you. It is recommended that you obtain a credit report from the three national credit reporting bureaus at least one time a year and review it for accuracy.

Will creditors report Debt Management Plan (DMP) participation on my credit report?

- Creditors may enter a notation on your credit report regarding your enrollment with a credit counseling service and the DMP. The notation will not impact your credit score. Once the debt is paid in full, it is recommended that you call the creditor and ask that they remove the credit counseling service notation and mark the account as paid in full.

Will my past credit history be changed since I am participating in a DMP?

- Any previous action or payment history reported before you begin a DMP will not be erased or changed. Creditor policies may vary regarding a DMP. Many creditors will list your account as “current” on your billing statement and the credit report will show “paid as agreed,” following the acceptance of the repayment proposal.

How does credit counseling and the DMP affect my credit score?

- Fair Isaac Company is a leading provider of a credit risk scoring services known as FICO scores. They are on record indicating that points are not deducted from your score because you participate in a credit counseling program.

Will my credit score improve on a DMP?

- Credit scores are based on the following factors:
 - Whether or not you have paid your bills on time (35%)
 - Outstanding debt (30%)
 - Credit history length (15%)
 - Applying for new credit (10%)
 - Type of credit you have (10%)

Therefore, participants that consistently make their DMP payments on time and do not incur new debt while on the DMP are likely to have a higher score than when they were enrolled

How can I safely obtain a free version of my credit report?

- Know what is on your credit report by visiting www.annualcreditreport.com or call (877) 322-8228 and obtain a free copy (1 per year) from Equifax, Transunion and Experian. Credit scores are generally not free and a fee may be requested.
- Learn more about your FICO score by visiting MyFICO Credit Education Center. Call (800) 319-4433 or go online at www.myfico.com/crediteducation/brochures.aspx for this and other free publications on what factors are included in a FICO score, plus understanding & interpreting your credit score.
- Credit scores are available at www.myfico.com

Creditors' DMP participation, adjustments made to your accounts, and credit reporting practices vary. Please contact your financial counselor if you have questions and to learn more about credit reporting plus how a Debt Management Plan can help you become debt free!