

YOUR CREDITWORTHINESS

Your creditworthiness is one of your most valuable personal resources. With a strong credit rating, you will be able to access financing when you need it and usually with much better credit terms than will be offered to someone with a poor credit history. Even if you don't have any immediate needs for personal credit, you can begin now to build your creditworthiness. Businesses use the 5 C's of credit to evaluate credit eligibility. Each of the 5 C's is identified in the space below. Conduct a personal evaluation of your current strengths for each of the C's and list them in the appropriate area. Then list steps you can take or things you can do to improve your qualifications in each area and build your creditworthiness.

MY 5 C'S OF CREDIT

| | My Current Strengths | Steps to Improve My Creditworthiness |
|------------|-----------------------------|---|
| CHARACTER | | |
| CAPACITY | | |
| COLLATERAL | | |
| CONDITIONS | | |
| CAPITAL | | |

PROTECTING YOUR CREDIT

Protecting personal information through effective online security measures has become one of the most important requirements for everyone using any type of online communications or business services. Preparing, remembering, and using specific security procedures will greatly reduce your chances of having your personal identity stolen, financial accounts compromised, or computer software and files hacked and damaged. The chart below presents several specific situations where your online security is at risk. For each situation, write one specific action you can take that will reduce the online threats you face. Make a personal commitment to take each step regularly to increase your personal security.

| To deal with the security issue related to: | I will take the following action: |
|---|-----------------------------------|
| Hackers, viruses, and spyware | |
| Making online purchases | |
| Stealing account passwords | |
| Use of personal information | |
| Stolen credit card numbers or account information | |

Matching

indicate which federal credit law is directed at the action described by each statement.

- | | | |
|---------------------------------|---------------------------------------|--------------------------------|
| A. Truth-in-Lending Act | D. Fair Credit Billing Act | G. Financial Modernization Act |
| B. Equal Credit Opportunity Act | E. Fair Debt Collection Practices Act | |
| C. Fair Credit Reporting Act | F. Right to Financial Privacy Act | |

- _____ 1. Imposes requirements on financial institutions for communicating with customers prior to release of personal information.
- _____ 2. Developed to increase the accuracy and privacy of information collected by credit reporting companies.
- _____ 3. Includes the Safeguards Rule, which requires all financial institutions to maintain safeguards to protect customer information.
- _____ 4. Designed to promote the informed use of credit and encourage consumers to compare the cost of cash versus credit as well as to shop for the least expensive credit.
- _____ 5. Prohibits discrimination against credit applicants because of age, sex, marital status, religion, race, color, national origin, or receipt of public assistance.
- _____ 6. Prohibits unfair, deceptive, or abusive practices when dealing with people who have overdue accounts.
- _____ 7. Deals with mistakes in credit bills sent to consumers.