

Tips for Improving Your Credit



Check Your Credit Report Once a Year

You can contact Equifax® and request a copy of your credit bureau by calling **1.800.465.7166** or by visiting www.equifax.ca. It is your responsibility to ensure that your credit report is accurate. If you find an error, report it to Equifax immediately.

Stay Informed

Carefully read all credit contracts you sign, as they are not all the same. For example, some lenders classify a payment as “late” the day after it is due, while others allow a grace period of up to 30 days. That one policy can make a significant difference on your credit report (and to your Beacon Score).

Set up Automatic Payments

Set up automatic payments through your bank to ensure you do not lose track. It will be one less thing on your “to do” list.

Pay Down Debt

Your credit balances should not exceed 70-80% of your available limits. If you are using more than that, it is a warning sign to lenders that you are relying too heavily on your credit lines to meet your obligations.

Pay down your debts and, if possible, pay for more items upfront. Alternatively, if you have equity in your home you may be able to refinance your mortgage and use that money to reduce your other obligations.

Save for a Rainy Day

Set up an automatic deposit into a savings account. It doesn't have to be a lot and with a bit of money put away, you will have a buffer in case of an emergency.

We hope that this information will help you improve your Beacon Score.

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MORTGAGE CORPORATION

Helping Canadians Make It Home

18 King Street East, 10th Floor,
Toronto, Ontario, M5C 1C4
Toll-free 1.888.811.6660,

Telephone 416.364.7944 Fax 1.888.482.6544
www.xceedmortgage.com

Tips for Improving Your Credit



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Xceed Mortgage is pleased to offer you this brochure on "How To Improve Your Credit." We hope that it will help demystify how credit scoring is calculated while also providing tips for how to improve your Beacon score.

Xceed remains committed to "Helping Canadians Make it Home."

What's on Your Credit Report?

- > Your personal information, including current address, social insurance number (SIN), date of birth, marital status, age and employment information
- > Your comprehensive credit information, including a full payment history on your trade lines that are reported to Equifax® (not all accounts report to Equifax®)
- > A history of your applications for credit
- > Your banking information, including history and balances
- > Public record information about secured loans, bankruptcies and/or judgments
- > Details on outstanding collections owed to creditors

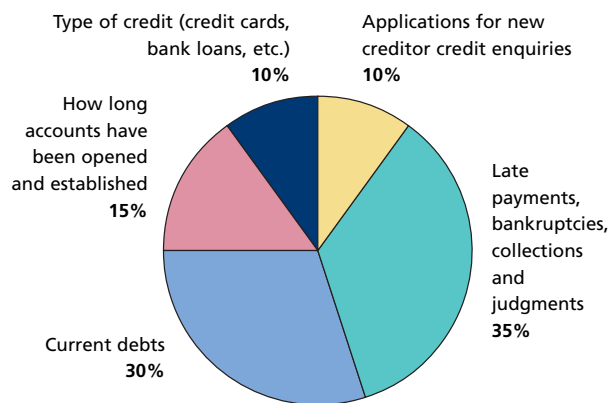
Your Beacon Score

Your Equifax® Beacon Score is an 'at-a-glance' indicator that lenders use to estimate your probability of successful loan repayment.

Beacon Scores range from 300 to 900, with 900 the highest possible score.

Here is a summary of what determines your Beacon Score, along with the relative weightings for each category:

EQUIFAX® BEACON SCORE COMPONENTS



Credit Bureau Terminology

Your credit bureau contains letter-number combinations, such as R-1 and I-2. These combinations tell lenders about your repayment history and they also indicate the types of credit that you use (they are usually classified as either Revolving or Instalment).

Revolving Credit (R) – Revolving accounts vary each month depending to how much you

use them. Credit cards, charge cards and department store cards are all examples of revolving credit.

Instalment Credit (I) – Instalment accounts have set amounts that have to be repaid each month. In these cases you will have arranged to borrow a specific amount of money up-front with an agreement to repay the loan in set amounts over a specified period of time. Examples of instalment credit include car loans, student loans and mortgages.

Repayment History and Derogatory Accounts

Your credit report shows your repayment history on each account. If your account is up to date and you have paid the monthly requirement as agreed, there is a "1" recorded for that month. If you miss one payment there will be a "2" showing for that month, meaning you owed two payments for that period – the scheduled payment plus the missed one (see also the "Stay Informed" section that follows).

When an account has a "9" beside it ("I-9" or "R-9"), the lender will usually either file a judgment in court to sue for the money owed, or sell the account to a collection firm who will continue to pursue the debt.