



SALES ACHIEVEMENT AWARD 2006
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Credit: Know The Scores

A good credit history is an important deciding factor in whether a home loan application is approved. Credit scores differ from credit ratings. Scores give a more detailed "snap-shot" of your credit profile. While credit ratings have been available to Canadian consumers for years, credit scores have only been available since 2002. The best credit score is 900 and the poorest is 300. Only 5% of Canadians have a credit score above 850; 24% are at 800-849; 27% are at 750-799; 19% are at 700-749; 11% are at 650-699; 6% are at 600-640; 4% are at 550-599; 4% are at 549 or less. Sometimes a score cannot be obtained due to lack of credit history or too few lines of credit.

720-900	You are at the top with the best rates and terms offered to you.
700-719	Excellent score. You are a very desirable borrower.
680-699	Good credit. You should be in strong shape to buy.
660-679	OK credit. Don't look for other exceptions.
640-659	Borderline. OK if everything else is strong.
620-639	Weak. The rest of your file must be perfect.
600-619	Difficult. Needs some work, or a special program.
Below 600	Trouble! Try to fix up your credit!

Credit Rating Codes

Every piece of credit history information in your credit file is assigned a rating by the credit grantor. The most common ratings are "R" ratings. These are known as North American Standard Account Ratings and are the most frequently used. The "R" indicates that the item being described involves revolving credit. If you always pay on time, it will be coded an R1. If an amount was written off because you never paid it back, it is coded R9. The R ratings are a coding system that translates "on time", "one month late", "two months late", etc., into two-digit codes.

R0	Too new to rate; approved but not used
R1	Pays (or paid) within 30 days of payment due date or not over one payment past due
R2	Pays (or paid) in more than 30 days from payment due date, but not more than 60 days, or not more than two payments past due
R3	Pays (or paid) in more than 60 days from payment due date, but not more than 90 days, or not more than three payments past due
R4	Pays (or paid) in more than 90 days from payment due date, but not more than 120 days, or four payments past due
R5	Account is at least 120 days overdue, but is not yet rated "9"
R6	Difficult. Needs some work, or a special program.
R7	Making regular payments through a special arrangement to settle your debts
R8	Repossession (voluntary or involuntary return of merchandise)
R9	Bad debt; placed for collection; moved without giving a new address

How To Get Your Own Credit Report On-Line

Consumers may obtain a copy of their credit report, plus credit score, and a score analysis on-line in Canada, for a fee (of approximately \$21.95). Equifax Canada provides consumers on-line, real-time access to their credit information starting at www.equifax.ca. Consumers provide personal information during the order process for their credit information so that Equifax can verify their identity and immediately deliver their credit report.