

# The Credit Score Quiz

Your credit score can affect all parts of your financial life. Test your credit scoring knowledge with this simple quiz.

Test your  
Credit Score  
IQ now.

- Which of the following service providers may use credit scores to decide whether a person can buy a service and/or what price they'll pay? (Select all that apply.)
  - Mortgage lender
  - Credit card issuer
  - Home insurer
  - Cell phone company
  - Electric utility
  - Landlord
- On a \$20,000, 60-month auto loan, about how much more would a borrower with a bad credit score pay than a borrower with a good score?
  - Under \$1,000
  - \$1,000-\$3,000
  - \$3,000-\$5,000
  - More than \$5,000
- Which of the following does a credit score mainly indicate?
  - Knowledge of consumer credit
  - Attitude toward consumer credit
  - Amount of consumer debt
  - Risk of not repaying a loan
  - Financial resources to pay back loans
- Which of the following factors are among those used to calculate a credit score?
  - Age
  - Missed payments
  - High balances on credit cards
  - Marital status
  - State of residence
  - Many applications for new accounts at one time
- Who collects the information on which credit scores are most frequently based?
  - FICO and VantageScore
  - Three main credit bureaus: Experian, Equifax, and TransUnion
  - Individual lenders
  - Federal government
- Who may make a credit score available to an individual consumer?
  - Three main credit bureaus: Experian, Equifax, and TransUnion
  - Independent websites
  - Many individual lenders
  - All of the above
- Does each consumer have just ONE generic credit score?
  - Yes
  - No
- What is a good generic credit score?
  - 600
  - 700
  - 800
  - 900
  - It depends on the scoring system
- Are generic credit scores free?
  - Always
  - Sometimes
  - Never
- Which of the following actions helps a consumer raise a low score or maintain a high one?
  - Make all loan payments on time
  - Use a credit card keeping the balance under 25% of the credit limit
  - Avoid opening several credit card accounts at the same time
  - All of the above
- How important is it to check the accuracy of your credit reports at the three main credit bureaus?
  - Very important
  - Somewhat important
  - Not very important
- How often are credit repair companies helpful in correcting any credit report errors and taking other measures to improve one's credit score?
  - Always
  - Usually
  - Occasionally
  - Never



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## ANSWERS

1. The answer is all of the above. All of these service providers may use credit scores to help them decide whether to sell you a loan, provide you a service, or determine your deposit or down payment.
2. The answer is more than \$5,000. On a typical auto loan from a bank, a borrower with a bad score would be charged a higher interest rate and likely pay at least \$5,000 more.
3. The answer is risk of not repaying a loan. The other factors may influence this risk, but it is the risk itself that a credit score tries to measure.
4. The correct responses are the three factors related to credit use: missed payments, high credit card balances, and many applications for new accounts at one time, or in a short time period. Mortgage foreclosures and personal bankruptcies, which both involve many missed payments, are also important factors.
5. The answer is the three main credit bureaus, which collect information on the credit use of more than 200 million Americans and make it available in credit reports. FICO and VantageScore are the most popular scoring systems for using credit reports to compute credit scores.
6. The answer is all of the above, but what's most important to understand is that there are two general types of credit scores: generic scores and lender-specific scores. Generic scores are available to all consumers through the credit bureaus, through FICO, and through independent websites. They give consumers an idea of their general credit risk and, thus, whether they can get credit and whether it will be expensive. Lender-specific scores, which may or may not be available to a borrower, are computed by individual lenders and are the basis for their decisions whether to offer credit and at what price. Like many individual lenders, some insurers also compute and use their own credit scores.
7. The answer is no. Most Americans have many generic scores reflecting the use of the scoring system and the source of the credit report: Experian, Equifax, or TransUnion.
8. The correct answer is that it depends on the scoring system, though higher scores are better. Scores using the FICO scale,

which range from 300 to 850, are usually good if they are over 700. Scores using the VantageScore scale, which range from 501 to 990, are usually good if they're over 800. But the most important point is that, when one gets a score, one should look to see where it is on the scale of all scores. Scores using the VantageScore scale, for example, will be associated with a letter grade – A, B, C, D, or F – similar to grades given in school.

9. The correct answer is sometimes. The three credit bureaus, FICO, and various websites sell individual scores, usually for less than \$20 each. These websites may offer free scores as part of trial periods for more costly monthly monitoring services. Some credit card issuers make available a free credit score to select customers. And some websites allow consumers to roughly estimate their score by answering questions about their credit use.
10. The correct answer is all of the above, though it takes much longer to raise a low score than lower a high one. For example, someone with a good score may lose 100 points if they miss payments on two credit cards. But they may gain only 50 of these points back by making all mortgage, car, and credit card payments on time for six months.
11. The correct answer is very important. Lenders may have provided inaccurate information, or failed to add accurate information, about your payment history to your credit reports. And, since many consumers have similar names, even accurate information may have been added to the wrong file. Fortunately, a federal law requires the three main credit bureaus – Experian, Equifax, and TransUnion – to provide on request a free copy of your credit report once a year. An easy way to get these reports is to call 877-322-8228 or visit [www.annualcreditreport.com](http://www.annualcreditreport.com).
12. Experts disagree whether the correct answer is occasionally or never. But all experts agree that credit repair companies often overpromise, charge high prices, and perform services, such as correcting credit report inaccuracies, that consumers could do themselves by just contacting the lender and the credit bureaus. And they agree that consumers should never pay these companies upfront or more than several hundred dollars total.

## ABOUT THE QUIZ

The Credit Score Quiz and the accompanying website, [creditscorequiz.org](http://creditscorequiz.org), are informational tools developed by the Consumer Federation of America and VantageScore.

The two organizations developed the quiz and website to increase consumer knowledge about credit scores and how to improve them. Earlier this year we asked the Opinion Research Corporation to administer this quiz to a representative sample of 1000 adult Americans. The quiz results indicate that many Americans could improve their credit score knowledge and ability to manage their scores. We encourage individuals to take this quiz; we also urge teachers and other educators to utilize it in their financial education programs.



Consumer Federation of America

CFA is a nonprofit association of nearly 300 nonprofit consumer groups that was established in 1968 to advance the consumer interest through research, education, and advocacy. Learn more about CFA at [consumerfed.org](http://consumerfed.org).

## VANTAGESCORE

VantageScore is a predictive generic credit scoring model created by Equifax, Experian, and TransUnion. With VantageScore, lenders can accurately score millions of Americans who were previously unscorable, opening doors for many creditworthy borrowers. Learn more about VantageScore at [VantageScore.com](http://VantageScore.com).

See aggregated quiz results and more at [creditscorequiz.org](http://creditscorequiz.org)

