Module 7 - Credit reporting

Credit score scenarios

Scenario #1: John

John has three credit cards. Here are his credit limits and balances:

Card	Limit	Balance
Sears	$1000	$999
VISA	$5000	$5500
MasterCard	$3500	$3000

John does not keep track of the due dates on the bills. Instead, he sends a payment sometime after his mid-month paycheque.

Scenario #2: Amir

Amir has applied for and received four credit cards since he moved to Canada because he understood he needed to build a credit history. He has never used any of them because he does not like the idea of paying interest. He prides himself on paying cash for everything. Amir and his wife are thinking about buying a house. They will soon go to the bank to apply for a mortgage.

Scenario #3: Yin

Yin found out last year that she was the victim of identity theft. She began to get bills for a bunch of credit cards that she never applied for. She ignored the bills and the collection phone calls that followed.

Scenario #4: Sarah

Sarah had five credit cards, a cell phone plan, and a consumer loan for a computer. Last year Sarah lost her job. She is collecting social assistance while she looks for work. She rotates her bill payments, paying the minimum payment only every two months. She cancelled her cell phone contract, but there was a cancellation fee of $200. She could not pay it, and it has gone to collections.