

## **Can you help me understand credit scores?**

### **Video Transcript**

So I'm early in my career and credit scores keep coming up. When I applied for an apartment, looked at cars, even checked out a credit card, people say they're important, but no one explains them in a simple way.

What is it and what is a good credit score?

A lot of people feel confused by credit scores at first, so you're not alone. The simplest way to think about a credit score is that it's a quick snapshot of how you've managed borrowing over time.

Things like paying your bills on time, keeping your balances low, have the biggest impact. It's not connected to how much money you make. It's really about how you use your credit. Your score is a three digit number, typically between three hundred and eight fifty, that helps lenders, landlords, and even some employers understand your credit habits. Generally, a score above seven hundred is considered good and anything above eight hundred is excellent. If your score is below six hundred, you might still get approved for credit, but it could come with higher interest rates or fewer options.

On the flip side, things like paying late, using too much of your available credit, or opening several new accounts at once may lower your score. Even one late payment could have a noticeable impact. If your score isn't where you want it to be, don't worry. A small, consistent habits can make a meaningful difference over time. Because your credit score plays such a big role in your financial life, it's worth taking steps to build it. And remember, you don't have to figure it out alone. I'm here to help navigate your options to help you feel more confident in your financial decisions.