

# Credit Exposed

Day 1: Credit Report Foundation

PRESENTED BY: SHANIQUEA JACKSON



# Day 1 Flow

## TOPICS TO COVER

- *Introduction to your speaker.*
- *What are the components of credit*
- *Debt pay down methods Explained*
- *Structuring a profile*
- *Building a Credit Profile*
- *Setting Expectations*

*Shaniquea Jackson | Credit Exposed: Day 1: Credit Report Foundation*



# Hi, I'm Shaniquea Jackson!



**Shaniquea “Niq” Jackson**

I'm Shaniquea Jackson, better known as Niq, the owner and founder of High Class Consulting is a licensed credit repair organization dedicated to helping individuals fix and build their credit, the right way.

My journey with credit began in 2017 while purchasing my first home with my now husband. Despite meeting the income requirements, I almost could not be included on the loan due to a charge off tied to a vehicle I had co signed for years prior. That experience was my wake up call. I realized quickly that income alone does not create opportunity. Credit does.

Through consistency and discipline, I rebuilt my credit from the low 600s to over 840 today, gained access to over \$100,000 in personal and business credit, purchased and refinanced multiple properties, and built my business using credit as a tool

What started as a personal mission turned into a passion for education. I began teaching family, friends, and real estate clients before officially launching High Class Consulting. Since then, I have helped hundreds of individuals improve their credit profiles while growing an online community of over 200,000 people through practical, transparent financial education. My work is rooted in impact, empowerment, and showing people that with the right knowledge, discipline, and support, their financial future can change.

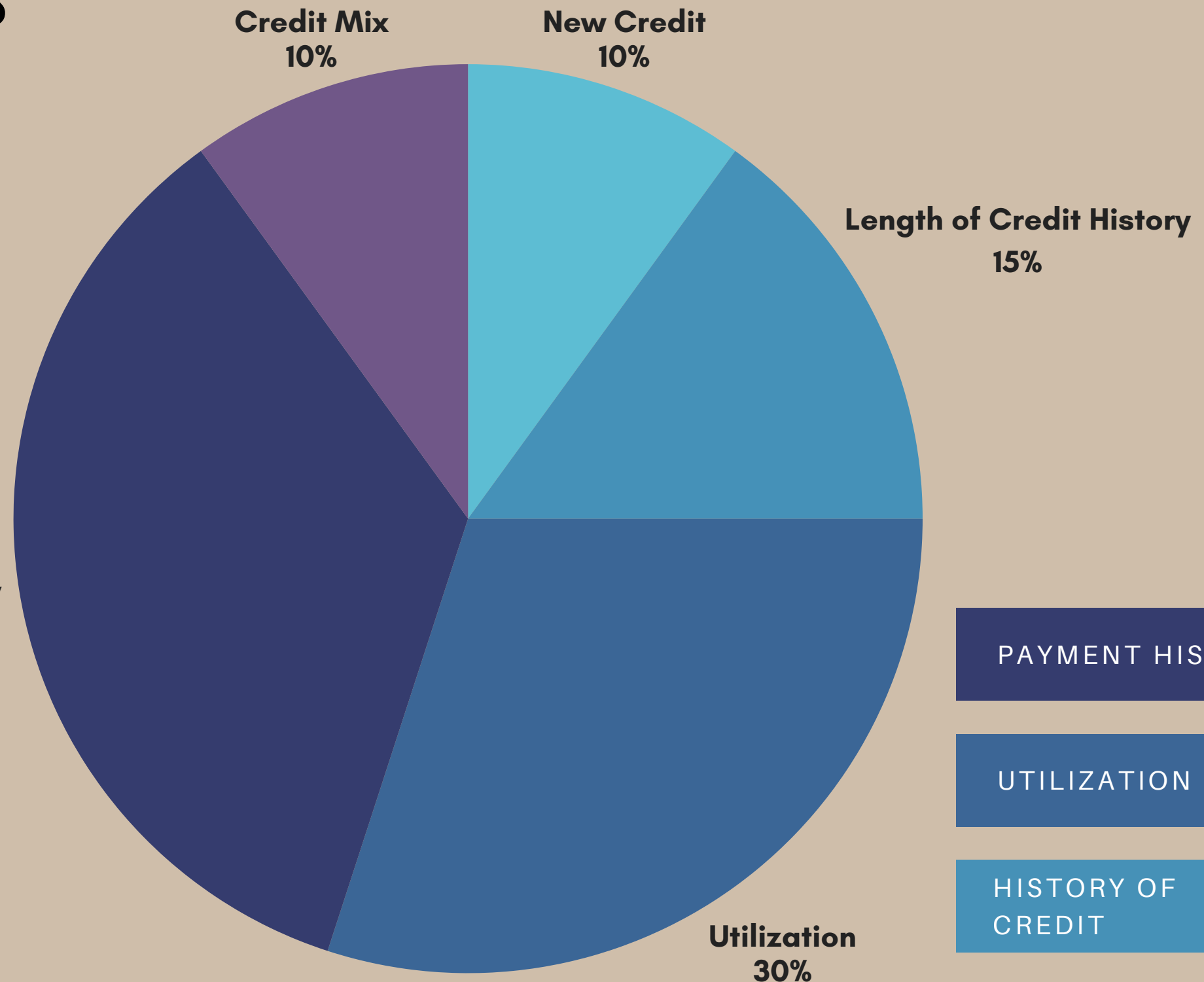


# The 5 Components of Credit Scores

*What goes into your score?*

# Credit Components

- Payment History
- Amount of Debt (Utilization)
- Credit Mix
- New Credit
- History of Credit



## CREDIT SCORE RATING CHART

760 - 850	EXCELLENT	A
700 - 759	VERY GOOD	B
660 - 669	GOOD	C
620 - 659	FAIR	D
580 - 619	POOR	E
500 - 579	VERY POOR	F

**Payment History**  
35%

PAYMENT HISTORY	192.5 PTS
UTILIZATION	165 PTS
HISTORY OF CREDIT	82.5 PTS
NEW CREDIT	55 PTS
CREDIT MIX	55 PTS

The background features various financial-related stamps and icons. On the left, there is a large orange 'Paid' stamp. In the center, there are several red and green stamps, some of which are partially obscured. On the right, there is a green 'PAYMENT APPROVED' stamp and a gold coin with a star. The overall theme is financial transactions and credit history.

# 35% Payment History

## WHAT MAKES UP YOUR PAYMENT HISTORY?

- Payment information on credit cards, retail accounts, installment loans, mortgages and other types of accounts.
- How overdue delinquent accounts are today or in the past. (Ex 30,60,90 120, 150, 180)
- Charge Offs, Collections, Repossessions, open late payment accounts, closed late payment accounts, Bankruptcies, accounts included in bankruptcy.
- The number of past due items on a credit report.
- The amount of time that's passed since delinquencies.
- The number of accounts that are being paid as agreed.



# Client Recommendations

Set up autopay to never miss a payment.

If an account has 1-2 late payments. Contact the company to request a Goodwill adjustment.

Pay off credit card debts to lower accruing interest to avoid financial over extension.

Negotiate pay for deletions on collections

Dispute inaccurate, inconsistent payment history with the credit reporting agencies.



## 30% Utilization

### WHAT MAKES UP YOUR UTILIZATION?

- The amount owed on all accounts.
- The amount owed on different types of accounts. your FICO Scores consider the amount you owe on specific types of accounts, such as credit cards vs. installment loans
- How many accounts have balances and can indicate higher risk of over-extension.
- Credit utilization ratio on revolving accounts.
- How much of the installment loan amounts is still owed, compared with the original loan amount.

# Recommendations

Pay Credit Cards down by statement date. I recommend having utilization 1-10%

Work on debt pay down methods. Utilize the Debt Snowball Method or Avalanche Method

Ask for credit Limit Increases every 6-12 months sometimes 3 months.

Become an authorized user on an account that has a high credit limit with low utilization





## Let's Calculate Utilization

$$\frac{\text{Balance}}{\text{Credit Card Limits}} \times 100 = \text{Utilization}$$

Sheila has 3 credit cards. Her first credit card has a \$2,500 limit with a \$1,000 balance. Her second credit card has a \$1,000 limit with a \$520 balance. Her third credit card has a \$200 limit with a \$500 balance. She needs help calculating her total utilization.

$$\frac{1,000 + 520 + 200}{2,500 + 1,000 + 500} = \frac{1,720}{4,000} \times 100 = 43\%$$

15

16

**DEBT  
FREE!**

# Debt Paydown Methods

## **SNOWBALL METHOD**



You list your debts from the smallest balance to the largest. You make the minimum payment on everything, then put any extra money toward the smallest balance. When that debt is paid off, you take the money you were using and apply it to the next smallest debt.

## **AVALANCHE METHOD**



You list your debts based on interest, starting with the highest interest balance first. You make the minimum payment on everything, then put any extra money toward the highest interest debt. When that debt is paid off, you take the money you were using and apply it to the next highest interest balance.



# Sheila needs to pay down debt!

Sheila now has to pay down the same 3 credit cards. Her balances are \$200, \$1,000, and \$520. She's looking for a strategy based on it being easy and simple to complete. She wants to feel like she's breaking her debt down and executing! She appreciates small wins and visible progress. What debt pay down method would be best for Sheila?

## Snowball Method



# 15% History of Credit

## **WHAT MAKES UP YOUR PAYMENT HISTORY?**

- How long your credit accounts have been open.
- Age of your oldest account.
- Age of your newest account.
- An average age of all your accounts.
- How long specific credit accounts have been open.



# Recommendations

Do not close any accounts.

Become an authorized user on an account with history. The more history 10+ years. the better.

Do not apply for credit if you don't need it. Opening a new account could impact history.

Wait at least 6 months between accounts opening. Give it some time to age.



# 10% Credit Mix

## WHAT MAKES UP YOUR CREDIT MIX?

- Revolving accounts: Revolving accounts are those that provide you with credit that allows more flexibility regarding the amount paid monthly (subject to any minimum payments required, and payment due dates, etc.). Some of these include:
  - Credit Cards, Retail Store Cards, Gas Station Cards, HELOC (Home Equity Line of Credit)
- Installment accounts: These types of accounts usually require a fixed payment each month until the balance is paid down in full. A few examples of these are:
  - Mortgage, Auto Loan, Student Loan



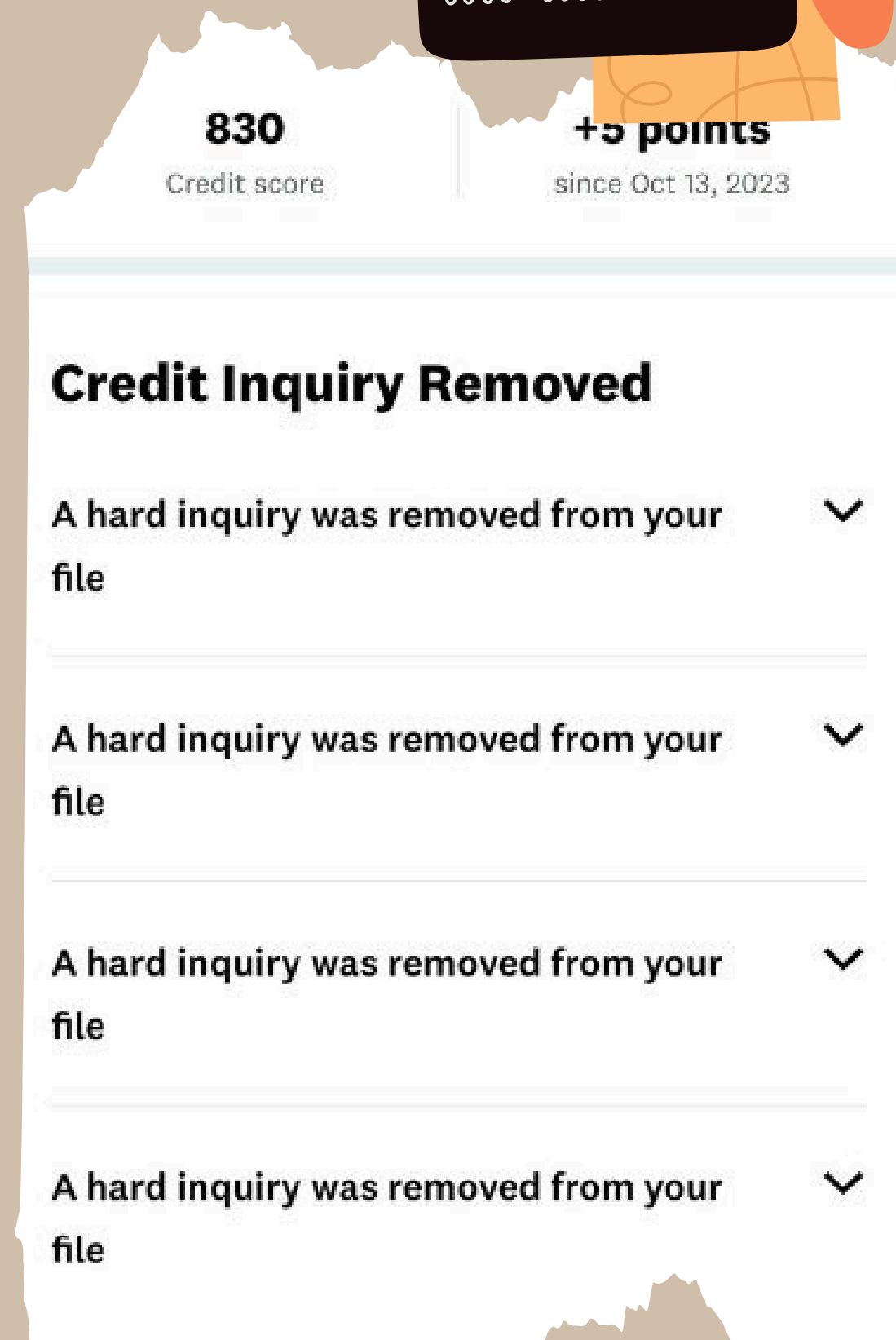
# 10% New Credit

## WHAT IS NEW CREDIT ?

- Shows new credit lines and applications for credit.
- Hard Inquiries show which impact your scores
- Inquiries stay on a credit report for 24 months and do not impact scores after 12 months.
- Soft Inquiries do not impact scores and are disregarded by lenders. It does not contribute to new credit.
- New credit can help if diversity in credit mix is needed.



# Client Recommendations

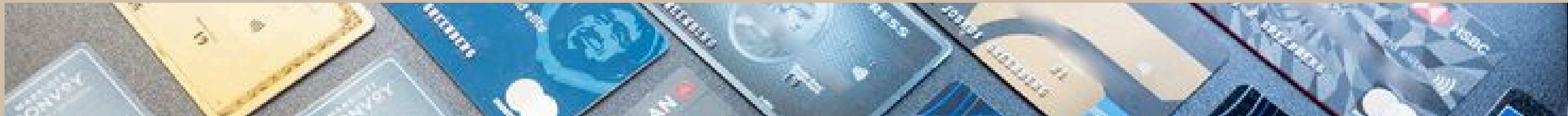


Check if your lender offers a soft pull pre approval

Recommend regular credit monitoring. Apps such as Experian and Credit Karma are OK

Freeze credit reports for free.

Rate shop within a focused period of time. Fico scores considered multiple inquiries within a short period (14-30 days) as low impact to no impact.



# Where to Begin With Building Credit

*Why Credit repair alone won't help you.*



# Where to Start



Start relationship  
with a bank.



Get a Credit Card



Become an authorized user  
on someone else's account  
and piggy back.



Get an installment loan.



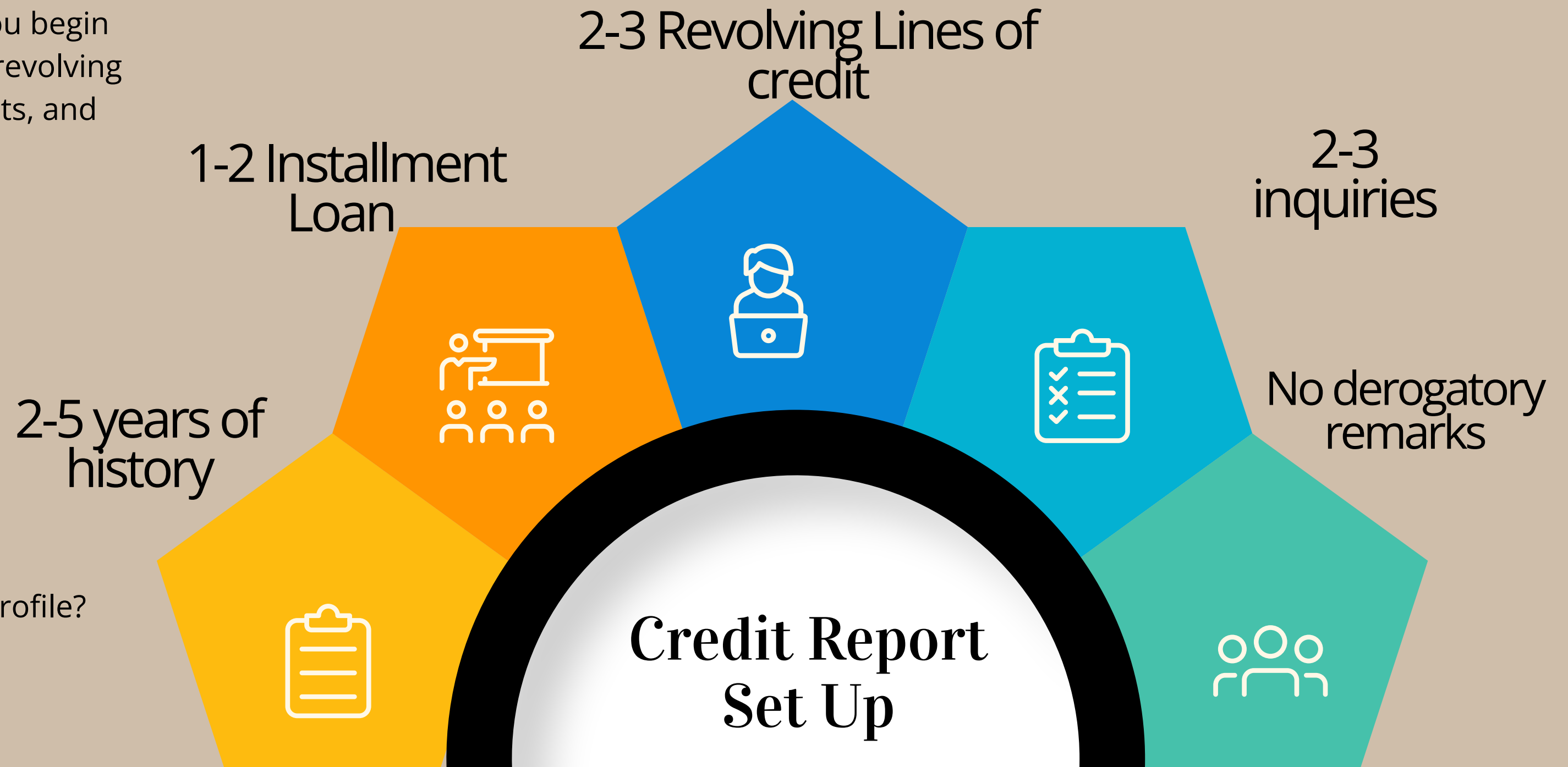
Report low utilization on  
Credit Card Accounts.



Pay your bills on time!

# Credit Report Recommended Set Up

Note/Tip: For a starter account (just establishing credit). I suggest you begin with 1 secured card or a single revolving account, make on-time payments, and manage low utilization.



What's considered to be a thin profile?

# Who would you lend \$20K too?



## CHARLOTTE'S CREDIT PROFILE

### **Credit Score 670**

Credit Age: 9 years 6 months

Total Accounts

Reporting: 7

Primary Credit Cards:

4

• Credit Card Limits:

– \$8,000

– \$12,500

– \$15,000

– \$20,000

- Payment History:
  - 2 late payments reported over 5 years ago
- Charge Off:
  - 1 charge off reporting from 6 years ago
- Credit Utilization: 30%
- Credit Mix: Revolving and installment accounts



## SHERRY'S CREDIT PROFILE

### **Credit Score 750**

Credit Age: 1 year 4 months

Total Accounts

Reporting: 3

• Primary Credit Cards:

1

• Credit Card Limit: \$500

1 Installment Loan: Co

borrower on vehicle

- Authorized User Account: 1
  - Authorized user on a credit card with a \$2,000 limit
- Payment History: 100 percent on time
- Derogatory History: None
- Credit Utilization: 10%
- Credit Mix: Limited

# Exposed Checkpoint

## **1. What are the 5 categories of credit?**

*Payment History, Utilization, History of Credit, Credit Mix, New Credit*

## **2. What are the 2 debt pay down methods?**

*Snowball Method, Avalanace Method*

## **3. Where do you start with building credit?**

*Build a banking relationship.*

## **4. What is considered a thin profile?**

*Having less than 5 accounts reporting.*

# Building Credit

## PAY TO REPORT ACCOUNTS

- Self Lender (Installment) \$25/mo 24/mos
- Kikoff (revolving Line) \$5/mo 12/mos
- Ava (Revolving Line) \$8/mo 12/mos
- Credit Strong (Installment) \$28 48/mos
- Creditbuildercard (Revolving) \$200 1x
- Kovo (Revolving Line) \$10/mo 24/mos
- Rent Reporters (2 year History) \$10.95  
+\$31.65/3 mos then \$10.95/mo
- Rental Karma (2 year History) \$75 1x fee  
then \$8.95/mo
- Bonus: Authorized user account 5-10  
years



**Let's build a Starter Profile!**



# Take Home Credit Opportunity

- Identify your spending habits (What opportunities did you find to save?)
- List out your credit cards and see what debt paydown method fits you best.
- Are you in need of building credit? Create a budget to invest in building your credit.

## Thanks for listening!

*See you soon and I hope you enjoyed!*

