

Understanding credit reports and scores

A credit report and a credit score answer different questions. The report contains records about credit accounts. A score is a mathematical estimate based on selected report information. Understanding the difference helps explain the numbers shown by a lender, bank or consumer app.

The report is the record

Credit reporting companies collect account information supplied by lenders and other reporting businesses. Equifax, Experian and TransUnion are the three nationwide credit reporting companies. Information can differ across their files because reporting sources and update dates differ.

The score is a calculation

A scoring model uses report data to estimate credit risk. The result is a number associated with a particular model, report source and calculation date. A report does not necessarily include a score, and a score display does not necessarily include the underlying report.

Credit and the wider household picture

A credit score is not a household budget, a measure of personal worth or a complete description of someone's finances. Savings, living costs and affordability are separate considerations. Lenders may consider information outside a score when evaluating an application.

Educational scope

This chapter explains terminology, report sections and scoring concepts. Its hypothetical examples illustrate definitions and provide context for understanding credit information.

Reviewed October 6, 2026. Educational information only. Models and lending requirements vary. No credit score, loan approval, interest rate or future outcome is promised.

Source

CFPB: report versus score



What appears in a credit report

Reports organize several kinds of information. The names and layout of sections vary by reporting company. The entries describe reported activity; they are not a complete list of a household's assets, expenses or obligations.

Identifying information

Names, addresses and other identifiers help connect records to a credit file. These details identify a person; they are different from the account history used in a score. Reports contain sensitive information and belong in private records.

Account information

An account entry may show the creditor, account type, opening date, reported balance, credit limit or original loan amount, payment status and payment history. Revolving accounts and installment loans use different borrowing structures. A report can contain both open and closed accounts.

Other sections

Reports may include collection accounts, bankruptcy information and inquiries. An inquiry records access to the file. The exact information shown depends on the report type and reporting company.

A snapshot with dates

A reported balance can differ from today's balance in a bank app. The report reflects information supplied as of its reporting date. A creditor does not have to send information to every reporting company, so one report may contain an account that another does not.

Reading a hypothetical entry

An imaginary entry showing a $2,000 limit and a $500 balance describes a reported account at a point in time. It does not establish income, available cash, borrowing affordability or the score a lender will use.

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What credit scoring models consider

Scoring models use patterns in reported credit history. Different models use different formulas. A factor's relevance depends on the model and the rest of the file; a general factor list is not a point calculator.

Payment history

Models commonly consider reported payment history and the presence and timing of delinquency information. The effect of an entry depends on the model and other account information. There is no universal number of points associated with one event.

Balances and available credit

Reported debt and the relationship between revolving balances and limits can be inputs. These are different from the amount of income a household receives or its total assets. Utilization is a ratio, explained on the next pages.

Account age and types

The length of account history, the number of accounts and the kinds of borrowing represented can be considered. Revolving credit and installment borrowing describe account types. They do not identify a required combination of products for a reader.

New applications and other entries

New credit applications, collection information and certain public-record information can also be considered. Timing and model rules matter. This chapter does not assign a predicted score change to opening, closing or paying an account.

Limits of a factor list

Knowing that a factor exists does not reveal a model's full formula. A chart of common factors cannot forecast an individual's result or replace the lender's own evaluation.

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Why two credit scores can differ

Two displayed scores can both be valid while describing different calculations. A score needs context: the report source, model, version, intended use and calculation date.

Different report sources

The three nationwide reporting companies can have different information at the same time. A model using one file can therefore produce a different result from a model using another file.

Different models and versions

FICO and VantageScore are examples of model families. Models are updated over time, and some versions are designed for particular lending uses. A consumer app and a mortgage lender may use different models or versions.

Different dates

New reporting can change the data available for a later calculation. A score from last month and one from today may use different snapshots even when the model is the same.

Different score ranges

Many commonly used consumer scores range from 300 to 850. Other score products can use different ranges. Labels such as fair or good depend on the publisher's categories; they are not universal approval rules.

A comparison example

An imaginary bank display of 710 and an app display of 735 do not, by themselves, show that either calculation is wrong. Without matching the source, model and date, the numbers describe different measurements.

What a displayed score does not establish

A score shown in an app does not confirm the score used by a particular lender, the interest rate offered or whether an application will be approved.

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CFPB: understanding why scores differ



Understanding utilization and inquiries

These terms describe information and calculations. The hypothetical examples below explain how the measurements are defined.

Individual-account utilization

Revolving utilization compares a reported balance with a reported limit. A hypothetical $500 balance divided by a $2,000 limit equals 0.25, or 25%. That percentage describes the ratio at the reporting date. It is not a target, a guaranteed threshold or a score prediction.

Combined utilization

Suppose two imaginary cards report balances of $500 and $300, with limits of $2,000 and $3,000. Their combined ratio is $800 divided by $5,000, or 16%. The individual ratios and combined ratio describe different measurements.

Hard inquiries

A hard inquiry commonly follows an application for credit. Models can consider recent applications and their frequency. The effect depends on the model and file. A hard inquiry does not mean an application was approved.

Soft inquiries

Soft inquiries include a person's access to their own report, certain account reviews and prescreening. Soft inquiries do not affect credit scores. An inquiry is access to a file; it is not itself a new loan balance.

Dates and context

A statement date, payment due date and credit-report update date refer to different events. A current account balance and a reported balance can differ because the dates differ. The dates help explain why measurements taken at different times can differ.

Source

CFPB: credit inquiries



Credit terminology and score limitations

This reference summarizes terms used in reports and score displays. It provides definitions and context for understanding credit information.

Terms at a glance

Creditor: a business that extends credit. **Credit reporting company:** a business that assembles credit information. **Scoring model:** a formula applied to selected information. **Reported balance:** an amount supplied for a reporting date. **Credit limit:** the maximum borrowing amount associated with a revolving account. **Installment account:** borrowing typically repaid through scheduled payments. **Revolving account:** borrowing that can be reused within an account limit, subject to its terms.

Score versus lending decision

A lender's decision can depend on income, affordability, collateral, application details and its own requirements, as well as credit information. A higher score does not guarantee approval, a particular rate or an affordable payment.

Thin files and missing scores

A person can have limited reported history, and a model may require information that is not available in that file. A missing score is different from a score of zero. Eligibility to calculate a score depends on the particular model.

Official report access

AnnualCreditReport.com is the authorized source for the nationwide companies' free reports. It is operated by the reporting companies, not a government .gov site. Report access and score access are separate services.

Further definitions

CFPB credit terms and FTC free-report overview provide public educational references. External sites maintain their own content and terms.