Hubstone

A HUBSTONE GUIDE

The Credit Guide

How credit scores work and why they matter, how to build and keep good credit, how to freeze your credit at all three bureaus, and how to protect yourself from the scams and fraud that target it.

Updated October 2026. Facts checked October 30, 2026.

The interactive version is at hubstone.com/guides/credit-scores-and-freezes. General information, not financial advice.

THE SHORT VERSION

Pay every bill on time, use a small share of your credit limits, keep old accounts open, and freeze your credit at Equifax, Experian and TransUnion. Those four habits cover most of what a score measures and close the most common door identity thieves use.

A freeze is free, does not hurt your score, and can be lifted in about an hour online when you apply for something. Check your reports for free every week at AnnualCreditReport.com, and never give a code or password to anyone who contacts you first. This guide pairs with The Credit Card Points Guide.

01

Why credit matters

Your credit history is the record lenders and many other businesses use to decide whether to work with you and on what terms. It reaches well past credit cards.

Who looks	What it affects
Lenders	Whether you are approved for a mortgage, car loan or card, and the interest rate you pay. Over a 30-year mortgage, a better rate is often worth more than every point you will ever earn on a card.
Landlords	Whether you get the apartment and how large a deposit you pay.
Insurers	In most states, auto and home insurers can use a credit-based insurance score in pricing.
Utilities and phone carriers	Whether you need a deposit to start service.
Employers	Some can check your credit report, with your written permission, for certain jobs and security clearances. They see the report, not a score.

02

Reports and scores

A credit report is the record. A credit score is a number calculated from that record. Keeping the two straight makes everything else easier.

Your reports

Three national bureaus, Equifax, Experian and TransUnion, each keep their own report on you. They list your accounts, balances, payment history, inquiries, and public records like bankruptcies. The reports often differ a little, because not every lender reports to all three.

You can get all three reports free every week at AnnualCreditReport.com, the only site the law set up for this, or by calling 1-877-322-8228. Checking your own report never affects your score.

Your scores

There is no single credit score. FICO and VantageScore are the two main scoring companies, and each has many versions. A lender picks the version it uses, which is why the score in your banking app often differs from the one a lender sees.

	FICO	VantageScore
Range	300 to 850 for base scores; 250 to 900 for industry versions like auto and card scores	300 to 850
Used by	Most lenders. Mortgage lenders have long used older FICO versions	Many free score apps and a growing number of lenders
Needs to score you	An account at least 6 months old and activity in the last 6 months	At least one account, even a newer one
Paid collections	Ignored by FICO 9 and 10; counted by older versions	Ignored by VantageScore 4.0, as are unpaid medical collections
Trends over time	FICO 10T looks at about two years of balance trends	VantageScore 4.0 looks at 24 months of trends

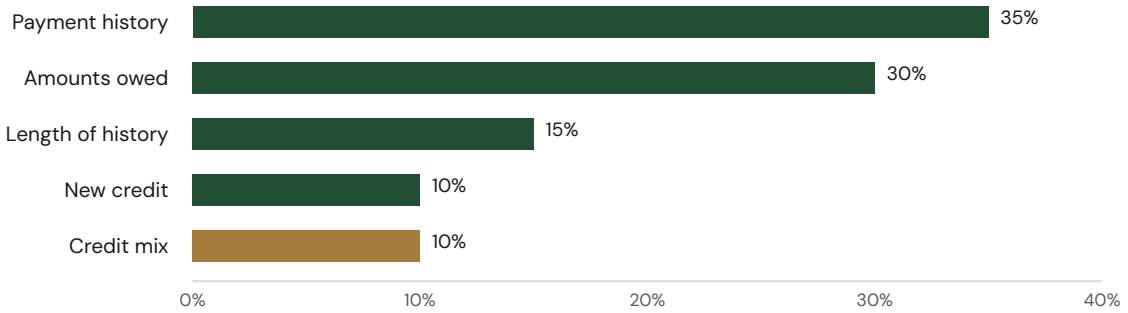
Fannie Mae and Freddie Mac now let mortgage lenders use VantageScore 4.0 or FICO 10T, though many still use the older FICO versions.

03

What goes into a score

FICO publishes how much each part of your report counts for most people. VantageScore weighs the same things in a similar order.

What makes up a FICO score



Source: myFICO, What's in your credit score.

Factor	What it measures	What helps
Payment history	Whether you paid every account on time, and how late and how recently you missed.	Autopay for at least the minimum on every account. One payment 30 or more days late can stay on your report for seven years.
Amounts owed	How much you owe, and the share of your card limits you are using, called utilization.	Keep reported balances low. A common guide is under 30% of your total limits, and lower is better.
Length of history	The age of your oldest and newest accounts and the average age of all of them.	Keep old no-fee cards open and use them now and then.
New credit	Recently opened accounts and hard inquiries from the last 12 months.	Space out applications.
Credit mix	The kinds of credit you have: cards, installment loans like a car loan, a mortgage.	Nothing to force. Never take a loan just to improve your mix.

04

Building credit from scratch

With no history, the goal is one or two accounts that report on-time payments every month. Any of these works:

- **Secured credit card.** You put down a deposit, usually equal to the limit, and use it like a normal card. After several months of on-time payments, many banks return the deposit and turn it into a regular card.

- **Credit-builder loan.** Offered by credit unions and some banks. The loan money sits in a savings account while you make payments, and you get it at the end.
- **Authorized user.** A parent or partner with a long, clean history adds you to their card. Many card issuers report that account on your report too. You do not need to use the card for it to help.
- **A student or starter card.** Once you have a few months of history, a no-fee card with a small limit is the next step.

Use the card for one small regular bill, like a streaming service, and set it to autopay the full balance. That one habit builds a score without any risk of interest.

FOR CHILDREN

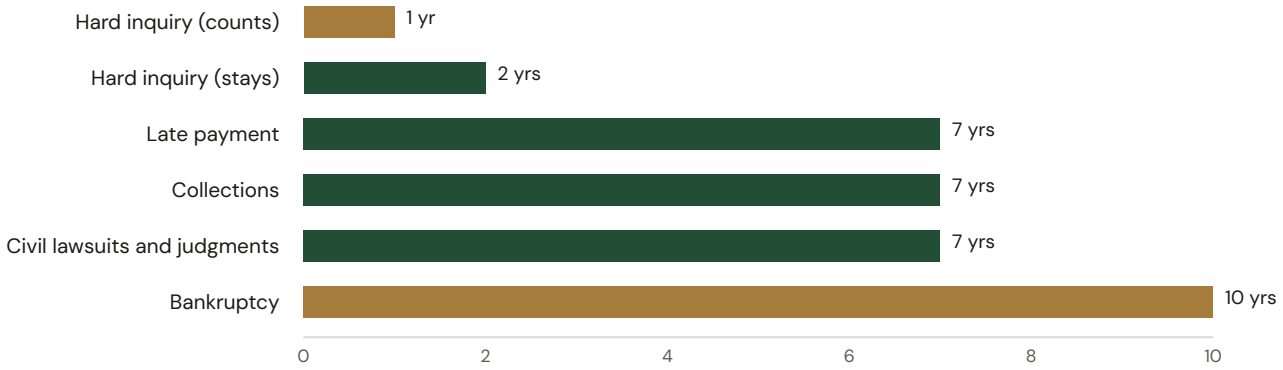
Children are a favorite target for identity thieves, because no one checks a child's credit until they apply for something at 18. Parents can place a free freeze for a child under 16, and leave it until the child is ready to apply for their first account.

05

Keeping it healthy

- **Pay on time, every time.** Payment history is the largest single factor. Autopay the minimum on every account as a backstop, even if you pay in full by hand.
- **Watch what gets reported.** Most cards report your statement balance, not what you owe after paying. Paying down a large balance before the statement closes lowers the utilization a lender sees.
- **Keep old accounts open.** Closing an old card shortens your history and cuts your total limit, which raises utilization. If it has a fee, ask to switch it to a no-fee card instead.
- **Apply sparingly.** Several applications in a short time can signal risk.
- **Check your reports.** Look at all three every few months for accounts you do not recognize, late payments you did not make and wrong balances.
- **Dispute errors.** File a dispute with the bureau that shows the error and with the company that reported it. They must investigate, usually within 30 days.

How long things stay on your report



Sources: CFPB, How long does information stay on my credit report; myFICO on inquiries. Positive history, like accounts paid as agreed, can stay longer than seven years.

BEWARE OF ANYONE WHO PROMISES TO FIX YOUR CREDIT

No one can legally remove accurate, current information from your report. In January 2026 the FTC warned about influencers telling people to file false identity theft reports to wipe out real debts. Doing that is a crime that can bring fines or prison. Everything a credit repair company can do, you can do yourself for free.

06

New cards and hard inquiries

Opening cards for points and keeping good credit can go together, as long as you understand how applications show up.

	Soft inquiry	Hard inquiry
When it happens	You check your own credit, a card company sends a preapproved offer, an existing lender reviews your account.	You apply for credit.
Effect on your score	None.	For most people, less than 5 points. It counts toward a FICO score for 12 months and stays on the report for 2 years.

Rate shopping

When you shop for a mortgage, car loan or student loan, FICO counts several inquiries for the same kind of loan as one if they fall within a short window: 45 days on newer versions and 14 days on older ones. FICO also ignores those loan inquiries made in the 30 days before the score is pulled. Do your loan shopping in one short stretch. Card applications should be treated as separate inquiries.

What a new card does over time

- The first few months: a small dip from the hard inquiry and the lower average age of your accounts.
- After that: the new limit lowers your utilization, which helps, and on-time payments add to your history.
- After a year: the inquiry stops counting, and most people who pay in full end up at or above where they started.

BEFORE A BIG LOAN

Hold off on new cards for six months to a year before applying for a mortgage or car loan. A clean, quiet report gets the best rate, and the rate matters far more than any sign-up bonus. For how to space card applications, see section 08 of The Credit Card Points Guide.

07

Freezing your credit

A credit freeze stops anyone, you included, from opening new credit in your name until you lift it. It is the single strongest step against identity theft, and it is free by federal law.

FREE

$0

To place, lift and replace, at all three bureaus, for adults and for children under 16.

FAST

1 hour

The longest a bureau may take to lift a freeze requested online or by phone. Placing one takes up to one business day.

HARMLESS

0 points

A freeze does not affect your score, and you keep using your existing cards normally.

How to freeze, at each bureau

Bureau	Website	Phone
Equifax	equifax.com/personal/credit-report-services	800-685-1111
Experian	experian.com/help	888-397-3742
TransUnion	transunion.com/credit-help	888-909-8872

Contact details as listed by the FTC. Type these addresses yourself rather than following links in emails or texts.

1

Create an account at each bureau

Use a unique password for each one, and turn on two-step sign-in. Skip any paid add-ons they offer along the way.

2

Freeze all three

One frozen bureau leaves the other two open. Freezing all three is what blocks a new account.

3

Store the logins somewhere safe

You will need them each time you apply for credit. A password manager is ideal.

4

Before applying, lift the freeze for a set time

Ask the lender which bureau it checks, or lift all three for a few days. Pick an end date so the freeze returns on its own.

Freeze, lock or fraud alert?

	What it does	How long	Cost
Credit freeze	Blocks new credit at that bureau. Governed by federal law.	Until you lift it	Free
Credit lock	A bureau's own product that works much like a freeze, but under the bureau's contract rather than the law. Some come bundled with paid monitoring.	While the product is active	Free to paid
Initial fraud alert	Tells lenders to verify your identity before opening credit. It does not block your report. Placing it at one bureau places it at all three.	1 year, renewable	Free
Extended fraud alert	The same, for confirmed identity theft. Needs an FTC identity theft report or a police report, and removes you from prescreened offers for 5 years.	7 years	Free
Active duty alert	For servicemembers away on duty. Removes you from prescreened offers for 2 years. Servicemembers and National Guard members also get free electronic credit monitoring.	1 year, renewable for the deployment	Free

Guardians, conservators and people with a valid power of attorney can also freeze the credit of the people they care for, which is worth doing for an aging parent. Some people also freeze their files at smaller agencies like Innovis, ChexSystems for bank accounts, and NCTUE for phone and utility accounts.

08

Online risks

Most credit fraud now starts online or on the phone. These are the common ones.

Risk	How it works	The tell
Phishing texts and emails	A message that looks like your bank, a delivery service or a toll agency, with a link to a fake sign-in page.	Urgency, a link, and a request to sign in or pay.
Fake fraud department calls	A caller says your card was used and asks you to read back a code sent to your phone. The code lets them into your account.	Any caller who asks for a one-time code. Your bank never will.
SIM swaps and phone port-outs	A thief moves your phone number to their phone and receives your text codes.	Your phone suddenly loses service.
Data breaches	Your details leak from a company you used, then show up in later scams.	A breach notice in the mail or email.

Risk	How it works	The tell
Card skimmers	A device on a gas pump or ATM copies your card.	A loose or bulky card reader. Tap to pay avoids them.
Credit repair scams	Promises to erase bad credit for an upfront fee, sometimes by illegal means.	Any promise to remove accurate information.
Oversharing	Birthdays, pets, schools and hometowns on social media answer security questions.	Public profiles with personal details.

09

How to protect yourself

Work through this list once, then keep up the habits in the second half.

Set up once

- ☐ Credit frozen at Equifax, Experian and TransUnion, and your children's too if they are under 16
- ☐ A password manager, with a different password for every financial account
- ☐ Two-step sign-in everywhere, using an authenticator app or passkey rather than text messages where you can
- ☐ A PIN or port-out protection on your mobile phone account
- ☐ Transaction alerts on every card, so each charge sends you a notice
- ☐ A phone wallet or virtual card numbers for shopping online
- ☐ An IRS Identity Protection PIN, which stops anyone else from filing a tax return in your name
- ☐ Old statements and anything with your Social Security number shredded

Keep doing

- [ ] Pull your three free reports every few months at AnnualCreditReport.com
- [ ] Read every statement, even small charges, which thieves use to test a card
- [ ] When a message or call claims to be your bank, hang up or close it, and contact the bank yourself using the number on your card
- [ ] Never share a one-time code, a password or your full Social Security number with anyone who contacted you first

10

If someone uses your identity

1 **Call the companies where the fraud happened**
Ask them to close or freeze the accounts, and change your passwords and PINs.

2 **Place a fraud alert and get your reports**
Contact one bureau. It tells the other two. Then review all three reports.

3 **Report it at IdentityTheft.gov**
The FTC builds a recovery plan and an identity theft report you can use to dispute accounts and to place a 7-year extended alert.

4 **Dispute the fraudulent accounts**
Send the identity theft report to each bureau and each company. File a police report if a company asks for one.

5 **Freeze all three bureaus**
If you had not already, so it cannot happen again.

KEEP A RECORD

Write down every call, who you spoke with and the date, and keep copies of letters. The paper trail is what gets a disputed account removed.

Sources, checked October 30, 2026

- FTC, Credit Freezes and Fraud Alerts (August 2025), free freeze law (2018), false identity theft report warning (January 2026), and free weekly credit reports.
- CFPB, How do I get and keep a good credit score and How long does information stay on my credit report.
- myFICO, What's in your credit score and Do credit inquiries lower your score.
- Experian, VantageScore and FICO differences (August 2026).
- IdentityTheft.gov, the FTC's recovery site.

This guide is general information, not legal or financial advice for a specific situation. Rules and products change, so check the bureau or agency's own page before acting. No link here pays Hubstone or anyone else a referral.

The interactive version of this guide, with the charts and tools, is at hubstone.com/guides/credit-scores-and-freezes.

General information, not legal, medical or financial advice. Requirements differ by state.