

| TERM | DEFINITION |
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| Bad Debt | A credit account that the financial institution deems as not likely to be repaid and has assigned a rating of 7, 8 or 9 (see Bank Ratings) |
| Credit File | Collection of an individual's credit history, identifying information, and other records maintained by a credit reporting agency |
| Credit Limit | The highest amount that a credit grantor allows to be charged on the account |
| Inquiry | A request by a credit-issuing institution to view all or part of a consumer's credit report. There are different types of inquiries. |
| Hard Inquiry | When a lender has obtained a copy of a credit file in order to evaluate the consumer's credit worthiness |
| Soft Inquiry | When a credit file is accessed without affecting a consumer's credit rating, such as account review inquiries by an existing creditor |
| Open Trade | A credit account that has had activity within the past 12 months and has not been reported as closed |
| Derogatory Public Records | Publicly accessible documents that have a negative impact on a credit rating such as: bankruptcies, judgments, suits, foreclosures and liens. |
| Satisfactory Trade | Refers to a credit account with a current bank rating of 1, indicating paid as agreed (see Bank Ratings) |
| ERS | A credit industry term for an account listed on a credit file. Examples include: credit card, loan and mortgage Equifax Risk Score, the higher the score the lower the risk. Score range: 300 to 900 |
| BNI | Average Bankruptcy Navigator Indicator score is the likelihood of a bankruptcy filing during the next 24 mths, the higher the score the lower the risk |

BANK RATINGS A national standard that financial institutions use to classify the status of a credit account

- 0 - Too new to rate; approved but not used
- 1 - Pays (or paid) within 30 days of due date or not over one payment past due
- 2 - Pays (or paid) in more than 30 days from due date, but not more than 60 days
- 3 - Pays (or paid) in more than 60 days from payment due date, but not more than 90 days
- 4 - Pays (or paid) in more than 90 days from payment due date, but not more than 120 days
- 5 - Pays (or paid) in more than 120 days, or more than four payments past due, but not yet rated 9
- 7 - Making regular payments under a consolidation order, credit counselling or similar arrangement
- 8 - Repossession
- 9 - Bad debt; placed for collection; skip account

CREDIT FILE PURGE RULES The age of the information shown on a credit file differs depending on the data type

- Inquiries: 3 years (5 inquiries or less; do not purge)
- Judgments: 6 years from date filed (PEI: 7 years)
- Collections: 6 years from date of last payment
- Tradeline Items: 6 years from date of last activity
- Previous High Rates: 6 years from date reported
- Banking Items: 6 years from date reported
- Bankruptcy Category: 3 years from date settled (BC: 2 years); if none, 6 years from date filed
- Bankruptcy: 6 years from date discharged; if none, 7 years from date filed
- Double Bankruptcy: 1st purges after 14 years from discharge; 2nd purges after 14 years
- Secured Loans: 6 years from date filed (PEI: 7 years)

CREDIT INSTITUTION TYPE

- Bank**: A financial institution licensed as a receiver of deposits; includes Canadian Schedule I banks such as CIBC and TD
- Credit Union**: Canadian financial institutions designated as a credit union or caisses populaires such as Vancity and Desjardins
- National Card Provider**: Credit card providers such as: Amex and Capital One, as well as bank-issued national cards such as Visa and Mastercard
- Monoline**: A subset of national card providers that include non-bank credit card issuers such as Amex and Capital One
- Auto Finance**: Credit institutions providing vehicle financing such as Ford Motor Credit Company
- Personal Finance**: Financial institutions like HSBC Financial and CitiFinancial
- Sales Finance**: A non-banking financial institution such as Travellers Financial Group
- Retail**: Non-bank credit lenders who operate retail store operations such as HBC, Best Buy and Home Depot
- Retail Department**: A subset of retail lenders that operate department stores, such as Hudson's Bay Company and Sears

CREDIT ACCOUNT TYPE

- Installment Credit**: An account in which the amount of the payment and number of payments are predetermined or fixed.
- Revolving Credit**: An account in which you can borrow money up to your credit limit on an ongoing basis. Regular payments are made depending on the balance of the account; examples include credit card and line of credit
- Mortgage**: A contract where the creditor has actual title to the property, but the property remains the use and occupancy of the borrower as long as the conditions of the mortgage are met

NOTE: Equifax does not maintain credit records for individuals under the age of majority in their current province of residence.