



# INSIGHTS ON Millennials & Credit Scores



- 1 Millennials have limited understanding of how credit scores work.**
  - More than 50% of respondents know that having high credit card balances will negatively impact their credit scores.
  - More than 65% of respondents know that even small debt collections can have a serious impact on their credit.
- 2 Millennials are less knowledgeable about how other factors like bankruptcies and student loans can impact their credit scores.**
  - Only 42% of non-buyers realize that a bankruptcy will stay on their credit report for 10 years.
  - Only 38% of non-buyers understand that student loan debt significantly contributes to lowering credit scores.
- 3 The majority of millennials believe that credit scores reflect their history of paying rent and utilities on time.**
  - More than half of all respondents (non-buyers, potential buyers and current homeowners) believe that credit scores reflect a person's history of paying rent and utility bills on time.
- 4 Although there is confusion around how credit scores work, millennials are actively trying to improve scores in preparation to purchase a home.**
  - 46% of potential buyers say they are currently trying to improve their credit scores to financially prepare for purchasing a home.
  - 58% of potential buyers would welcome more information about the credit requirements needed to secure a mortgage.
- 5 Millennials believe credit scores reflect a person's ability to buy a home, however, they think credit scores play too important of a role in securing a mortgage.**
  - 59% of respondents agree that credit scores accurately reflect a person's financial ability to buy a home.
  - 60% of potential owners, and 59% of current home owners, believe that credit scores play too large of a role in a person's ability to secure a mortgage.

Source: Essent 2017 Millennial Home Purchasing Study. For the purposes of the study, millennials were defined as those born between 1980 and 1998.

To get the complete study visit: [essent.us/millennialstudy](https://essent.us/millennialstudy).

EssentIQ® was created to educate millennials and other first-time homebuyers who may not be aware of homebuying options that are available to them outside of the conventional 20% down. Through education and accessible resources, such as EssentIQ, homeownership and the American dream may be more achievable than many millennials think.

EssentIQ is available in English and Spanish at [essent.us/essentiq](https://essent.us/essentiq).

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