Credit scores demystified

Did you know that debt, when approached sensibly, can actually be beneficial when you’re in the U.S.? This is because it shows that you are capable of managing money.

70% of Americans have at least one credit card

In May 2017, the average credit score hit 700—the highest since such information was first tracked

How is your credit score determined? Most agencies use one of two scoring systems: FICO or VantageScore. Both of these models use a scoring system of 300-850 with the latter being a perfect score.

The higher your score, the higher your chances of being offered credit at a good rate with favorable terms.

1 https://www.wsj.com/articles/credit-scores-hit-record-high-as-recession-wounds-heal-1496055600

Because credit scores don’t carry from their country of origin to the U.S., you’ll most likely be starting from scratch.

If you’re new to the U.S., you’ll be able to open a bank account and get a debit card, but you might not qualify for a credit card because of your lack of credit score.

Here are some steps that you can take to begin building credit when you’re overseas:

Make the most of existing relationships with international banks

You might be able to open an account with the same bank in the U.S. and even take your existing credit score with you.

Apply for cards aimed at internationals

Many banks offer credit cards from your home country that you can use overseas without incurring a fee.

Build credit through renting

Some landlords report tenants’ payments to the credit bureaus, who will in turn create a file to document these.

Visit us.hsbc.com for additional information

Visit us.hsbc.com for additional information