

# 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<sup>1</sup>

In May 2017, the average credit score hit

**700**

—the highest since such information was first tracked<sup>1</sup>

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.



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](https://www.hsbc.com) for additional information



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