

Of the 77% of Americans Who Know What a Credit Score Is, 26% Know Difference Between a Hard and Soft Credit Inquiry

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A February 2010 survey of 1,000 U.S. consumers revealed that just 19% know the difference between a hard credit inquiry and a soft credit inquiry. Also, 26% of the people who claim to know [what a credit score is](#) understand the difference between a hard and soft credit inquiry. The results are part of the [First Quarter 2010 FreeScore.com Consumer Credit Score Awareness Study](#) *, a January 28–February 2, 2010 online poll of Americans ages 18+.

According to CreditFYI.com, a consumer education site that offers detailed information about credit scores and reports, the definitions of hard inquiry and soft inquiry are as follows:

Hard Inquiry: A request from a lending institution to see a person's credit file when the person applies for a line of credit. Such inquiries can stay on a credit report for two years. A hard inquiry or two shouldn't hurt a credit score, but a lot of inquiries in a short period suggests an urgent need for more money, which can put the borrower in a higher risk category.

Soft Inquiry: An inquiry on a credit report that doesn't affect a credit score. Businesses conduct soft inquiries for reasons other than credit applications. A request to see one's own credit report and an employer who requests a credit report are examples of soft inquiries. Credit bureaus report them, but they don't usually appear on credit reports purchased by consumers or businesses.

The survey results also revealed the following about those who understand what a credit score is:

- 31% of men know the difference between a hard and soft inquiry versus 23% of women.
- Those with household incomes above \$75,000 per year have greater awareness of the difference between hard and soft credit inquiries:

Income / Percentage of Americans who understand difference between Hard and Soft Inquiries

Less Than \$35,000 / 20%
\$35,000-\$49,999 / 29%
\$50,000-\$74,999 / 26%
\$75,000+ / 35%

- Those who check their scores more frequently claim to understand the difference between soft and hard inquiries on their credit reports (34% vs. 17%).

According to Carrie Coghill, Director of Consumer Education for FreeScore.com, "Understanding what can affect your credit score is a necessity. When buying a house, a car, or most big-ticket items, if a company checks your credit, it is most often a hard inquiry. Yet, you can check your credit as often as you like without having it affect any of your credit scores from the three major credit bureaus. Begin to educate yourself about the factors affecting credit scores and reports by going to informative websites like Federal Trade Commission's credit information [website](#).

In addition, you can check your credit report from each major credit bureau once a year at the government site www.AnnualCreditReport.com, or you can check your three credit scores and reports as often as you wish at FreeScore.com. It won't affect your score, and you'll know where you stand."

About FreeScore.com

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FreeScore.com is a leading online consumer information site, providing its members with affordable, unlimited access to all three of their credit scores and their complete credit profile. Launched in 2009 with an award-winning marketing campaign, more than 750,000 members have joined FreeScore.com to better understand their credit scores and reports. Members have unlimited access to their credit scores from all three bureaus, a complete credit profile, credit score simulator, and expert tips, articles, videos and other educational information about managing your own credit. For more information, go to <http://www.freescore.com>.

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