

### **Danger of Having All of a Couples Credit in One Name**

Many couples, especially that are well established, may have followed the traditional route of having all credit accounts in one person's name. In most situations, both would have been able to use the credit. The accountholder would have established his or her spouse as an Authorized User, thus giving permission to use the card. Historically, account information such as payment history would influence the credit report and score of both the accountholder and authorized user.

This could both help and hurt an authorized user. If the accountholder managed the account well, then this could benefit the authorized user. However, if the accountholder mismanaged the account, this negative information could hurt an authorized user of the account. One benefit of being an authorized user that still remains is that since the authorized user is not an accountholder, such an individual is not liable for the debt from the lender's point of view.

Another beneficiary of the authorized user treatment was older couples or couples with larger age or experience gaps. One common situation was that the individual with poorer credit would be an authorized user on an account held by the individual with better credit. Thus both members of the couple had access to the credit card at possibly a lower interest rate than would be given to the individual with the lower credit rating. Another common situation was for the primary earner in a household to be the only one with credit in his or her name; making a spouse an authorized user only.

Recently, Fair Isaac Corp changed this part of their computations to no longer consider the data unless one is an account holder. This means that if you are an authorized user, your credit history will disappear from any account on which you were not listed as an accountholder. One reason this issue need to be addressed was because credit repair websites were springing up, allowing strangers to "piggyback" their credit score to others in exchange for a fee. By doing this, consumers were able to increase their score, yet nothing changed in their credit behavior that would lead a lender to believe that they were more credit worthy.

This is especially concerning for some older couples, widows, or recently divorced. As a result of the change, people in these situations may find their credit rating or report to be different from what it was in recent years. To better understand how this does or does not affect your credit score and report, you can always free copies of your credit reports to find out what accounts are being reported under your name and the status of those accounts from the three major credit reporting agencies.

Source: Michael S. Gutter and Travis Mountain. University of Florida, Family, Youth and Community Sciences. [www.fyccs.ifas.ufl.edu](http://www.fyccs.ifas.ufl.edu)