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## CreditKarma: Zen and the art of credit score maintenance

"What goes around, comes around" is a phrase you hear often about the Great Cosmic Scorecard of the universe. So how does it apply to your finances? **Kenneth Lin**, CEO of **CreditKarma**, can explain how. "Your past behavior plays a huge part in your current credit situation. If you always do the right thing, pay all your credit card bills on time, you get the best interest rates on cars, your house, and more," explains Lin. This is no small thing. "If you add up all the better opportunities you can reap over a lifetime, it could add up to over a million dollars saved," Lin adds, citing Jeffrey Strain's article on how **good credit can save you over a million in interest and fees** over a lifetime.

The philosophy behind CreditKarma is simple yet sophisticated, a little like Zen itself. The internet is filled with companies that offer a "free" credit score. But there are only two that I know of that actually make true on that promise: CreditKarma and Quizzle (I review

**Quizze** in another article). The concept behind CreditKarma goes something like this: give people free access to their credit score 24/7, with good tracking tools (like the simulator, report card and snapshot) and the information they need to make good decisions, and they will be able to better their own personal credit karma.

CreditKarma partners with **truecredit.com/TransUnion** for your credit score. What about security every time you retrieve your credit score? You do have to enter your social security number the first time you open your account but CreditKarma uses all the same security technology major banks use. CreditKarma uses a special ID within the TransUnion system to get your latest score, and there haven't been any breaches of any kind. Is it a hard-pull on your credit (meaning will it negatively affect your score)? "Absolutely not," emphasizes Lin. Not all credit scores are created equally; models and algorithms differ enough that TransUnion gives me a lower number than my Experian or FICO score. Lin hopes that users will compare "apples to apples" and stick with TransUnion when tracking their score over time.

Lin acknowledges that "good credit takes years to build and can be destroyed in a matter of months" and is hoping his site will truly be the pro-consumer site he wants it to be. He believes that CreditKarma is "disruptive" to the credit card internet landscape, in true Web 2.0 style. Fueled by Lin's experiences at **Upromise** and **ELoan** and his time spent in the credit universe, the future of CreditKarma looks bright. And that means there may come a day when understanding and managing your credit is so easy it's almost Zen.

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