

## **Tips for Building & Maintaining a Strong: Credit History**

Pay on time. Send a payment check well before the due date to avoid late fees and finance charges. Your credit score, a numerical reputation of a consumer's financial creditworthiness, used by lenders to determine whether they should lend money to a person, and if so, at what interest rate, can most adversely be effected by late payments, collections, and bankruptcies.

Stay within your credit limit to avoid penalties and reserve available credit for emergencies. Demonstrate that you have capacity; the ability to pay back your debt, by keeping your account balances less than 50% of your available credit.

Limit the number of credit cards you acquire to help limit your debt exposure and simplify your record keeping. Be aware that excessive credit inquiries over a short span of time may be interpreted as an indicator that you need more credit due to experiencing financial problems.

Try to pay your balance in full each month. Otherwise, make sure you send more than the minimum payment required.

Set your own credit limit and start to establish a savings fund for emergencies,

Use credit wisely. Ask yourself the following questions before purchasing with credit: Is this something I really need, and do I need it now? Do I have the ability to repay? How long will it take me to repay? How much will it ultimately cost me?

Be aware of the terms and costs when shopping for a student credit card.

Review your statements carefully and immediately inform your credit card company, in writing, if you notice an error on a billing statement.

Review your credit reports periodically and check for inaccurate, incomplete or outdated information. Dispute this information, in writing, with the credit bureaus.

Be honest. If you can't pay your bills on time, contact the creditor and explain the situation. Creditors will often work with you to come up with an alternate payment arrangement.

Always think ahead. Be proactive, not reactive, about your finances. Plan for different obligations now and in the future.

Be organized by filing your statements in a separate folder.

Keep a list of your credit card account numbers and phone numbers in a safe place in case a card is lost or stolen.

Report your card as lost or stolen as soon as you notice it's missing.

Immediately inform your credit card company of an address change.

Maintain a savings and checking account.

Establish your telephone bill under your name. Remember, you are responsible for additional people on your telephone bill.

Develop a steady work record.

Establish a credit card under your name. Use it for budgeted amounts and try to pay in full each month.

Avoid opening joint accounts with a friend or significant other.

Protect your account numbers, personal identification numbers (PIN's), and social security number. Do not let others use your cards and don't use your cards to pay for other people's purchases!