



How to Build Credit

You can build or improve your credit history. One way is to get credit and use it wisely. If you do not have credit, the best place to start is with a credit card.

Compare several credit cards. Apply for the one that gives you the best deal. Look for:

- a low or no annual fee
- a low APR, or annual interest rate
- lower fees:
 - if a payment is late
 - if you go over your credit limit
- a long grace period. This is the time between when you spend money and when the card charges you interest. Look for one that is at least 25 days long.

If you cannot get a regular credit card, try to get a secured credit card. A secured credit card is a type of credit card that is backed by a cash deposit from you. This deposit acts as collateral on the account, providing the you with security in case the cardholder can't make payments. Apply only for cards that report your history to the three credit reporting companies.

Look for a secured card with:

- no application fees
- a low interest rate
- lower annual fees
- no processing fees
- higher interest rates on the money you deposit

You can use credit to build and improve your credit history:

- Use your credit card a few times a month.
- Buy things you can pay for that month.
- Pay the whole credit card bill every month. Do not leave a balance on your card.
- Pay your bill by the date it is due. Paying even one day late will cost you money.

People who do this start to see a better credit history. But it takes time.

A Stand By Me 50+ Financial Coach can assist you with your financial concerns such as budgeting, saving, credit and debt.

**For FREE assistance in reaching your financial goals, call
Stand By Me 50+ for
FREE financial coaching:
New Castle County 302-601-3896, Kent County 302-415-1542
Statewide 302-608-2705**