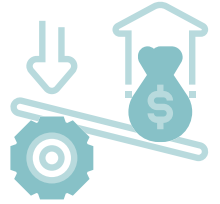




Guide: Building and Leveraging Credit

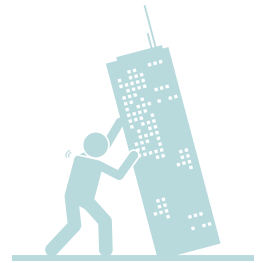
Building and leveraging credit can open doors to financial opportunities and provide you with greater financial flexibility. Follow these steps to build credit and effectively leverage it to your advantage:



Establish Credit:

Open a Credit Card: Apply for a credit card if you don't have one. Start with a secured credit card or a student credit card, if applicable.

Become an Authorized User: Ask a family member or close friend with good credit to add you as an authorized user on one of their credit cards. This can help you build credit history.



Use Credit Responsibly:

Make Timely Payments: Pay your credit card bills and other debts on time. Late payments can negatively impact your credit score.

Keep Utilization Low: Aim to use no more than 30% of your available credit limit to maintain a healthy credit utilization ratio.

Avoid Excessive Debt: Don't take on more debt than you can comfortably manage. Keep your debt levels in check to avoid financial stress.



Monitor Your Credit:

Check Your Credit Report: Obtain a free copy of your credit report annually from each of the major credit bureaus (Equifax, Experian, TransUnion). Review it for accuracy and report any errors.

Monitor Your Credit Score: Keep an eye on your credit score to track your progress. Numerous free online tools and credit card issuers offer access to credit scores.



Diversify Your Credit Mix:

Consider Different Credit Types: Besides credit cards, consider other forms of credit such as installment loans (e.g., student loans, car loans) to diversify your credit mix.

Manage Different Types of Credit Responsibly: Make payments on time and handle all credit accounts responsibly, demonstrating your ability to handle various types of credit.



Leverage Credit Wisely:

Maintain a Good Credit Score: A good credit score allows you to leverage credit effectively. Aim for a score above 700 (on a scale of 300 to 850).

Apply for Loans and Mortgages: When you need to borrow money for significant purchases, a strong credit history and score will make it easier to qualify for favorable loan terms and interest rates.

Negotiate Lower Interest Rates: With good credit, you can negotiate lower interest rates on credit cards, loans, and other financial products.

Use Credit Card Rewards: Take advantage of credit card rewards programs to earn cashback, points, or airline miles. Use these rewards wisely to save money or enjoy travel benefits.

Remember, building and leveraging credit takes time and responsible financial management. Consistently practicing good credit habits and making informed financial decisions will help you build a strong credit profile and leverage it to your advantage.



When starting to build credit, it's important to choose a credit card that suits your needs and financial situation. Here are some good options for beginners:

Secured Credit Cards:

Discover it® Secured: This card offers cashback rewards, and after a certain period of responsible credit use, you may be eligible to transition to an unsecured card.

Capital One Secured Mastercard: It's a no-frills secured card with no annual fee and the potential for a credit limit increase after making your first five monthly payments on time.



Student Credit Cards:

Discover it® Secured: This card offers cashback rewards, and after a certain period of responsible credit use, you may be eligible to transition to an unsecured card.

Capital One Secured Mastercard: It's a no-frills secured card with no annual fee and the potential for a credit limit increase after making your first five monthly payments on time.



Entry-Level Unsecured Credit Cards:

Capital One Platinum Credit Card: It's a basic credit card that can be a good starting point for those with limited credit history.

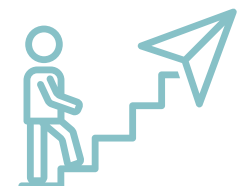
Citi® Secured Mastercard®: This card allows you to build credit with responsible use, and it has no annual fee.



Credit Builder Loans:

Self Visa® Credit Card: It's a unique credit-building tool that requires you to make a deposit that becomes your credit limit, allowing you to build credit as you repay the loan.

Credit Builder Account from MoneyLion: This account functions as a credit builder loan, helping you establish credit history while saving money.



Remember to compare the features, fees, and terms of these cards to determine which best aligns with your needs and financial goals. It's essential to use any credit card responsibly by making timely payments and keeping your credit utilization low to build a positive credit history.



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