

## SIMPLE WAYS TO ESTABLISH GOOD CREDIT

A good credit history is nearly indispensable. Without it, you'll have trouble buying a car, renting an apartment, and perhaps even getting a job, since some employers order job applicants' credit reports. Here are ways to establish a good record.

- Start by ordering free credit reports from the three major credit bureaus. What's the point if you don't have a credit history? Because you want to make sure no one has appropriated your financial identity.
- Open a bank account. Having an account won't directly affect your credit reports, but credit applications generally ask for bank information. Be aware that negative banking information, such as check-bouncing, will show up on your credit report.
- If your parents have good credit, ask one of them co-sign for a credit card with you or include you as a user on one of their cards. Use this privilege responsibly because missing a payment will hurt your parent's credit scores as well as yours.
- Apply for a secured credit card or credit line. Secured credit requires you to make an initial deposit that then serves as your credit limit.
- Don't hold more than one or two cards. Too many can make lenders nervous.
- Use your credit card for necessities only, and keep your debt under 30% of your credit limit. If possible, restrict charges to amounts you can pay off each month.
- Obtain and hold a steady job. Potential lenders regard employment history as a major factor in deciding whether to extend credit.
- Pay bills on time. A poor payment history can negate all of the positive steps you take.
- Once you've begun establishing credit, make a full circle to where you began by ordering free credit reports from the three major credit

bureaus each year. After all your work establishing a good credit history, you'll want to protect it by correcting inaccuracies.