Tax Pro Module 1 Section 3

Building Personal Credit



POINTS MANAGEMENT

Travel Benefits could include:

- Airport Lounges
- Hotel and Car Rental Upgrades
- 5x points on all travel purchases
- Cash to spend on the plane
- Travel Insurance
- Upgrades in seats
- Trade points for airline tickets

* Only use points for personal travel (They're tax-free!!)

Have a Game Plan!
Up to 3% Cash back
or Travel

Track your Points on ALL cards:

www.awardwallet.com

Follow:

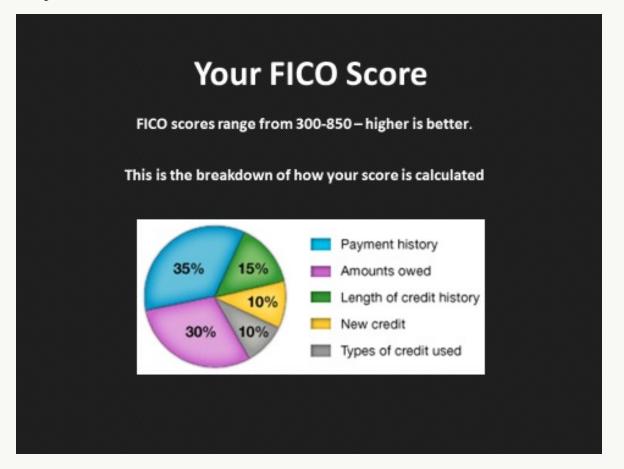
www.thepointsguy.com

5 STEPS TO BUILD CREDIT "FROM SCRATCH"

- Get a FREE Credit Report (you want to know where starting from)
- Get a credit card
 - Get someone to co-sign
 - Open a 'secured credit card' with a deposit equal to credit line
 - Become an authorized user on Parent's CC account
 - Only apply for 1 or 2 cards at the same time
- Use the card immediately and start making payments. Don't use it if you can't pay it off at the end of the month.
- Use Auto loans with a co-signer if possible (possibly)
- Start Monitoring Your Credit

KNOW WHO YOUR CREDIT IS CALCULATED

5 Keys to a Good Personal Credit Score



#1 – MANAGE YOUR PAYMENT HISTORY

Managing Your Payment History 35%

Don't Be 30 days Late OR MORE!!
Pay the bill BEFORE the date the Credit Card Company
Reports your Balance

www.checkmy3scores.com

How Much You Owe 30%

Keep what you owe on ANY credit card below 30% of the available credit on that particular Card (per card utilization)

Never over 80-90% (when using money temporarily)

Keep TOTAL Credit Utilization below 30%

#3 – DON'T CUT UP YOUR CARDS

Length of Credit
History
15%

2 Factors:

- 1) The OLDEST credit/account open
- 2) Average age of accounts DON'T close old cards you aren't using (use them once and while). One usage at least every 3 months

#4 – USE THE RIGHT CREDIT CARDS

Types of Credit Used 10%

BEST- Well paid mortgages & auto loans BAD- Store credit cards (not too many)

Creative Idea: Installment Loan with Bank secured with a CD

#5 — BE CAREFUL WITH APPLICATIONS

New Credit 10%

Only apply when you NEED or you are BUILDING credit

REMEMBER...

It's a process and never ends

Be patient and Don't give up