

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”

1. Get a FREE Credit Report (you want to know where starting from)
2. 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
3. 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.
4. Use Auto loans with a co-signer if possible (possibly)
5. 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

#2 – UTILIZATION RATIO

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