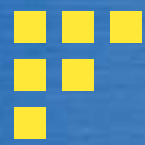


Maintain a Good Credit Rating

Explain how to establish a positive
credit history

Discuss how to avoid credit
problems and how to get help if
you need it



Establish Your Credit History

- If you want to use credit when you need it, you must earn and maintain a good credit history
- You must show in your financial dealings that you are a responsible consumer and buyer



Establish Your Credit History

- Start Small
 - Apply for a store credit card
 - Easier to get than major credit cards
 - Make small purchases and pay off each month
 - Don't Miss a Payment
 - Even one missed/late payment can have a serious effect on your credit rating
 - Save Regularly
 - Shows you can manage your money



Establish Your Credit History

- Credit for Married People
 - It is important to establish credit in your own name
 - If you need to borrow money on your own, you will have a credit history



Establish Your Credit History

- Avoid Common Credit Mistakes
 - ALWAYS Pay Bills when they are Due
 - NEVER ignore bills when short of money
 - Lenders will be flexible if you contact them as soon as there is a problem



Establish Your Credit History

- Read What You Sign
 - Read every contract and make sure you understand it
 - Acceleration Clause--says the entire debt is immediately due if you miss a single payment
 - Balloon Payment--a clause that requires you to make a final payment that is much larger than the regular payments



Establish Your Credit History

- Bankruptcy
 - A legal process in which people who cannot pay their debts must surrender most of their property
 - The court sells to pay debts
 - Bankruptcy can leave you with almost no property, very poor credit history/rating
 - Gives you a fresh start



Establish Your Credit History

- True-Name Fraud
 - Involves using someone else's identity to get cash/buy products using credit
 - Identity Theft
 - All they need is your social security number, your driver's license, or credit card number to open accounts in your name
 - Protect Yourself--guard your personal information/keep track of bills



Help For Credit Problems

- Debt Consolidation Loans
 - Offered by banks and finance companies to pay off all smaller loans and give you one payment per month
 - You don't necessarily pay less, because you may make payments over longer period of time
 - Makes the best of a bad situation



Help For Credit Problems

- Credit Counseling Services
 - Seek help if you are headed for trouble!
 - National Foundation for Consumer Credit (NFCC)
 - Non-profit organization
 - Not all credit counseling services are free
 - Some are fraudulent