



Managing Your Money

Five Tips To Help Build Good Credit

by *Marsha Barnes*

(NAPSA)—Credit may play a more vital role in your life than you realize. From college students to working professionals, building and maintaining good credit is essential to everyone and his or her long-term financial security.

How Your Score Works

A credit score is not like a race car where you can press the accelerator and feel the results instantly. The overall process of building your credit and credit score takes time and is more similar to a driving record—where past behavior is taken into account. However, if you follow the right steps, you can build good credit in just a matter of time. Here are five tips that can help you get on the right track to achieving better credit and financial stability.

1. Make all your payments on time.

While all monthly expenses may not show up on your credit report, they could, if not managed appropriately. Get in the habit of paying your bills on time because making payments on time shows up on your credit record and helps improve your credit score.

2. Borrow only what you can afford to pay back. Credit-reporting agencies and creditors often keep a watchful eye on how responsible you are with using credit. It's often easier to borrow money or to get new credit when you've proven that you know how to properly balance and handle credit.

3. Keep your credit card balances low. A great rule of thumb is to keep your balances under 30 percent of the available credit limit.

4. Use a secured credit card. If you'd like to establish credit for the first time or you need to rebuild credit, a secured credit card could be a smart, safe choice. For example, the Green Dot Platinum Visa Secured Credit Card is a great option that can aid you in building credit and staying out of credit trouble with usage and timely repayments. Almost anyone can apply and be approved for the card and no bank account is required to qualify. With a secured card, your own security



You can improve your credit score with a few simple steps.

deposit backs the credit line, and payment performance is reported to the three major credit bureaus, which, with good payment performance, can help cardholders build a positive credit history. Even better, Green Dot's Secured Credit Card offers the ability to make cash payments at over 100,000 retail stores. And remember, you have instant credit access to any security deposit you put down...so you don't really have to set aside money to get a secured credit card.

5. Pay off your credit card balances each month. Credit cards should not only be used for large purchases. Making a small purchase and paying off the full balance before or on the due date will do wonders for your credit score over time.

The bottom line: Be responsible with your credit. If you follow these tips, you'll be on the right track for curing your credit score.

Learn More

For further facts on secured credit, go to www.greendot.com/platinum.

• Ms. Barnes is the founder of The Finance Bar (thefinancebar.com), a personal finance suite and mobile hub bridging the gap between individuals and financial wellness.