



How to build credit

What is a credit score?

A credit score is a score given to your financial history that shows your creditability to pay back loans and make on-time payments. The higher the number the better. 850 is a perfect score, and 300 is a low score.

You need credit to rent an apartment, buy a car, get a credit card, and lots more. It's best to start building credit before you need it. Here are some steps to consider.

Pay loans:

If you have student or other loans make sure you are making your monthly payments when due. Going into default (not paying for months) is a quick way to drastically lower your credit score. If your monthly payments are too high, call your loan provider to negotiate payments. You could qualify to postpone paying your student loans if you qualify. Calling is the only way to find out.

Get a bill in your name:

Putting a monthly bill in your name builds up your credit score. These bills could include, phone, internet, gas, electric, and more. If you can't pay the minimum balance, call the company and discuss your options. Paying anything is better than ignoring it. Using auto pay is a great way to ensure bills are being paid monthly, on-time.

Credit Cards:

Getting a credit card really builds credit if you're ready for the responsibility. Although, over buying on credit cards is an easy way to increase your debt. If you feel ready, make sure to track spending, set up auto pay and spending limits.

Know the interest rate of your card, especially after any promotional deals end. Lots of cards will boast about 0% interest for a certain timespan but could have confusing rules when dealing with repayment or turn into a large interest rate. Always read the fine print. Most credit cards being offered to people with low or no credit have larger interest rates and can keep you in debt longer. Research online and talk with someone you trust to find the best rates and deals for you.

Check your score:

Sites like [credit karma](#) or [credit sesame](#) give you a free online reports on your score. Some sites will send you email updates when your score changes to help you keep track. If you have a credit card, it might provide this service as well. Using these sites should not affect your credit score, but others might, always double check!

**Remember to discuss these options with trusted individuals in your life before taking steps. Every person has different circumstances that need to be considered when evaluating financial decisions.*

References and more information:

<https://www.kingaleta.com/home/how-to-build-credit-start-adulting>

<https://www.creditsesame.com/>

<https://www.creditkarma.com/>