

# What steps can I take to build good credit?



## This tool will help you:

- **Take steps** to build a credit history
- **Learn** about products that allow you to enter the credit system and how they work
- **Track** your progress

## Keep in mind:

Building and maintaining a strong credit history is important. You can set yourself up for success by choosing the right products and practicing good credit management.

Don't be afraid to ask for help when you need it. Refer to the Resource Cards tool to find additional support.

## Start with one question:

How can having a positive credit history help you achieve your goals?

## Products and services that can help build your credit history

Building a credit history takes time. Here are some products or strategies you may want to consider.

### Use a secured credit card

- Pay a deposit and borrow money against it
- Charged interest each month on unpaid balances
- Where to get it: Banks, credit unions, credit card companies

### Take out a credit builder loan

- Lender provides the deposit and locks it in a savings account for you
- Pay it back over 6 to 24 months
- Typically receive money from the "loan" when you're done making payments
- Where to get it: Banks, credit unions, non-profits

### Use an unsecured credit card

- Borrow money up to an approved credit limit amount
- Must pay at least the monthly minimum until the balance is repaid
- Charged interest each month on unpaid balances
- Where to get it: Large retail stores, credit card companies

## Become an authorized user on a credit card or have someone co-sign your loan

- Authorized users can make purchases and payments on a credit card already held by someone else
- Lenders may be willing to extend credit to someone without a credit history if there is a co-signer with a good credit history
- Payment activity typically appears on authorized users' and co-signers' credit reports

## Report less-traditional payment data

- Some companies provide a way for consumers to have their payments (such as rent or cell phone) reported to credit reporting companies

## Keep in mind

Not all products and services will be right for your situation, so research them before choosing one. Whichever option you choose, check that your payments will appear on your credit report. Fees and conditions may apply, and you will be legally responsible for making payments as stated in the card or loan agreement.