

## Tip Sheet: Rebuilding Your Credit

If you have experience financial difficulty, or even bankruptcy, don't worry, your credit worthiness is not destroyed. You can rebuild it. There is not one "right" way to rebuild your credit history, but there are some tried and true tips to follow to build a new history of on-time payments.

- 1. Go Slowly** – You might be surprised, but you will receive numerous offers for credit in the mail. Select one with the best terms of credit and throw the rest in the garbage.
- 2. No More Than Two** – You risk taking on too much debt if you have more than two credit cards.
- 3. Limit Use** – Purchasing frivolous items on credit is ... frivolous. Use your credit card to purchase expensive items you need and pay the balance over time.
- 4. Pay In Full** – If you are disciplined, go ahead and purchase small items on credit each month and pay the balance in full each month.
- 5. No Late Payments** – Even one late payment will taint your rebuilding efforts.
- 6. Double It** – Making only the required minimum payment each month costs you money. Your goal here is to get ahead of the financial game. Try to pay at least double the minimum due.
- 7. Avoid Expensive Credit** – Finance companies usually charge high rates of interests, whereas traditional credit card companies usually charge lower rates. Also, keep in mind that some traditional credit companies have a negative view finance company loans and might not extend you credit if you have a finance company credit card.
- 8. Say No to Rent-to-Own and Advanced Fee Loans**
- 9. Be Proactive** – If you haven't received any credit offers, don't hesitate to find one on your own. There are many resources available. Contact your bank to request a secured credit card, or visit CardTrack at [www.cardtrack.com](http://www.cardtrack.com).
- 10. Commitment** – Rebuilding your credit after experience financial troubles takes time. If you remain committed to you financial health, you will soon be in good standing. Don't give up.