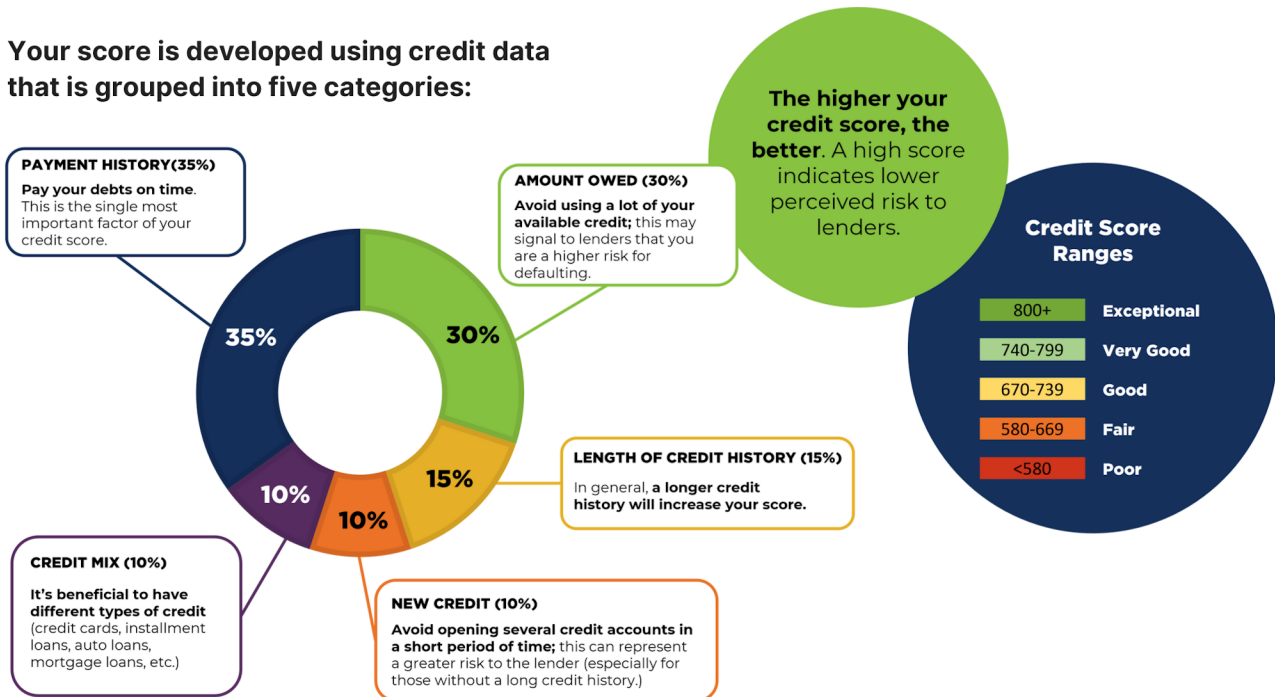


BUILD CREDIT FROM SCRATCH

Having a high credit score and a report showing you've paid your bills can help you obtain things that may **bring adventure, stability, or joy into your life**. If you know you need to build credit and aren't sure how to do so without going into debt, use this guide to **begin the path to establishing a positive credit history**.

Your score is developed using credit data that is grouped into five categories:



STEPS TO BUILD YOUR CREDIT

1 Review Your Current Credit Report

If you haven't already, get your free credit report at [AnnualCreditReport.com](https://www.annualcreditreport.com) to see where you currently stand. If you are new to credit, it's normal for nothing or very little to show up. When pulling for the first time, consider obtaining your report from all three bureaus – Experian, Equifax, and Transunion.

2 Become an Authorized User

Being added to an existing credit card as a joint or authorized user can help establish credit. Only ask a person who you have verified pays their bills on time each month and maintains a low balance on their credit card.

3 Open a Credit Builder Product

Talk with your credit union or bank about available products to improve your score. Some examples available to those new to credit include a secured credit card or a credit builder loan. We recommend you ask questions about how the product will improve your score, when to pay your bill or if you can automate payments.

4 Start Practicing Your New Healthy Credit Habits

Opening new accounts sparingly, paying all your bills on time, and keeping credit card balances low are all essential factors in building a strong credit score.

COMMON CREDIT MYTHS

MYTHS

You must maintain a balance on your credit card from month to month to build credit.

You need lots of open credit cards to build credit.

Checking your own credit report will hurt your credit score.

All credit scores are the same.

FACTS

You still build positive payment history when paying your balance in full. Paying off the entire balance you owe by your statement due date each month saves you money on interest charges and will allow you to maintain a healthy credit utilization.

A variety of credit types is more important than the number of accounts. Typically, no more than two or three open credit cards are recommended.

You have the right to check your credit report for monitoring or educational purposes, which is a **soft inquiry and will not hurt your credit**. If you authorize someone to pull your credit report for the purpose of obtaining a loan or credit card, this is a hard inquiry, and may have a negative credit impact.

There are three credit bureaus and multiple credit scoring models. Know that your score may be different based on the specific report that's being viewed and the scoring model that is being used. No matter what, maintaining healthy credit habits will create a stronger score over time.

HEALTHY CREDIT HABITS

1

MAKE EVERY PAYMENT ON-TIME, EVERY MONTH

Missing or being late on just one payment can have a significant negative impact on your credit score.

2

KEEP CREDIT CARD BALANCES LOW

Strive to keep your credit card balances below 30% of the card's maximum limit. Ideally, pay the card off in full every month.

3

MAINTAIN YOUR EXISTING ACCOUNTS

Once you establish credit, you will have more credit options available to you. Keeping your original credit card open will help you maintain a longer credit history.