



## Using Credit

You can build a credit history or improve your credit history. One way is to get credit and use it wisely. That takes time.

### How can I get credit?

If you do not have credit, the best place to start is with a credit card.

Compare several credit cards. Apply for the one that gives you the best deal. Look for:

- a low annual fee
- a low APR, or annual percentage rate
- lower fees:
  - if a payment is late
  - if you go over your credit limit
- a long grace period. This is the time between when you spend money and when the card charges you interest. Look for one that is at least 25 days long

If you cannot get a regular credit card, try to get a secured credit card. Apply only for cards that report your history to the three credit reporting companies.

Look for a secured card with:

- no application fee
- a low APR, or annual percentage rate
- lower annual fees
- no processing fees
- higher interest rates on the money you deposit



### How can I improve my credit?

You can use credit to build and improve your credit history.

- Use your credit card a few times a month.
- Buy things you can pay for that month.
- Pay the whole credit card bill every month. Do not leave a balance on your card.
- Pay your bill by the date it is due. Paying even one day late will cost you money.

People who do this start to see a better credit history. But it takes time.