

Better Money Habits®

Managing Your Money

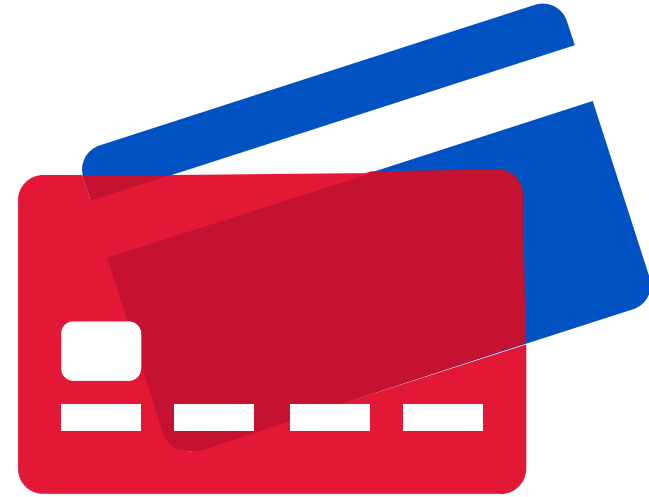
For those new or returning to the U.S.





What is credit?

- Credit allows you to borrow money and repay it later
- You may need credit to purchase a product or service you can't pay for immediately
- It's a promise to a lender that you'll repay the funds
- When you make good on that promise, your credit score will go up
- Good credit makes it easier to get a credit card, buy a car or home, and much more



Credit cards

There are two main types of credit cards: secured and unsecured. Secured cards require a cash deposit upfront to guarantee your credit line. They're useful for gaining or rebuilding credit. Unsecured cards do not require a deposit to secure the loan and offer more privileges.

	Secured credit card	Unsecured credit card
Application required	✓	✓
Requires security deposit	✓	
Interest may apply	✓	✓
Helps build credit	✓	✓
Lower credit limit	✓	
Reports to credit bureaus	✓	✓



Building credit from scratch

- Open a checking account
- Get a credit card
 - Consider a secured credit card
 - Prepaid cards don't build credit
- Don't reapply right away if you're turned down
- If possible, ask someone to co-sign a loan
- Continue to carefully manage credit



Five ways to use your credit card responsibly

1. Shop around — fees, interest rates and security deposits differ
2. Don't charge excessively to ensure you can pay the monthly balance in full
3. Set up payment alerts so you don't miss a payment
4. Set up automatic monthly payments to avoid late fees and interest charges
5. Pay more than the monthly minimum owed



What is a good credit score and why does it matter?

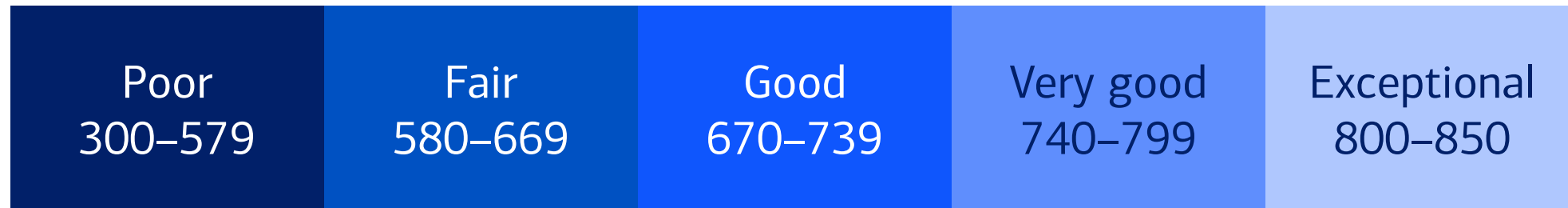
A credit score is a number that helps lenders, like banks, insurance companies and landlords assess how well you've managed your financial obligations. It's one of several factors they may consider when deciding a rate of pay for services, whether to loan you money or whether to enter into a business agreement. Credit scores typically range from 300 to 850, and they can change monthly.

<620

Anything under 620 could make it harder to get a loan

>700

Anything above 700 is more attractive to lenders

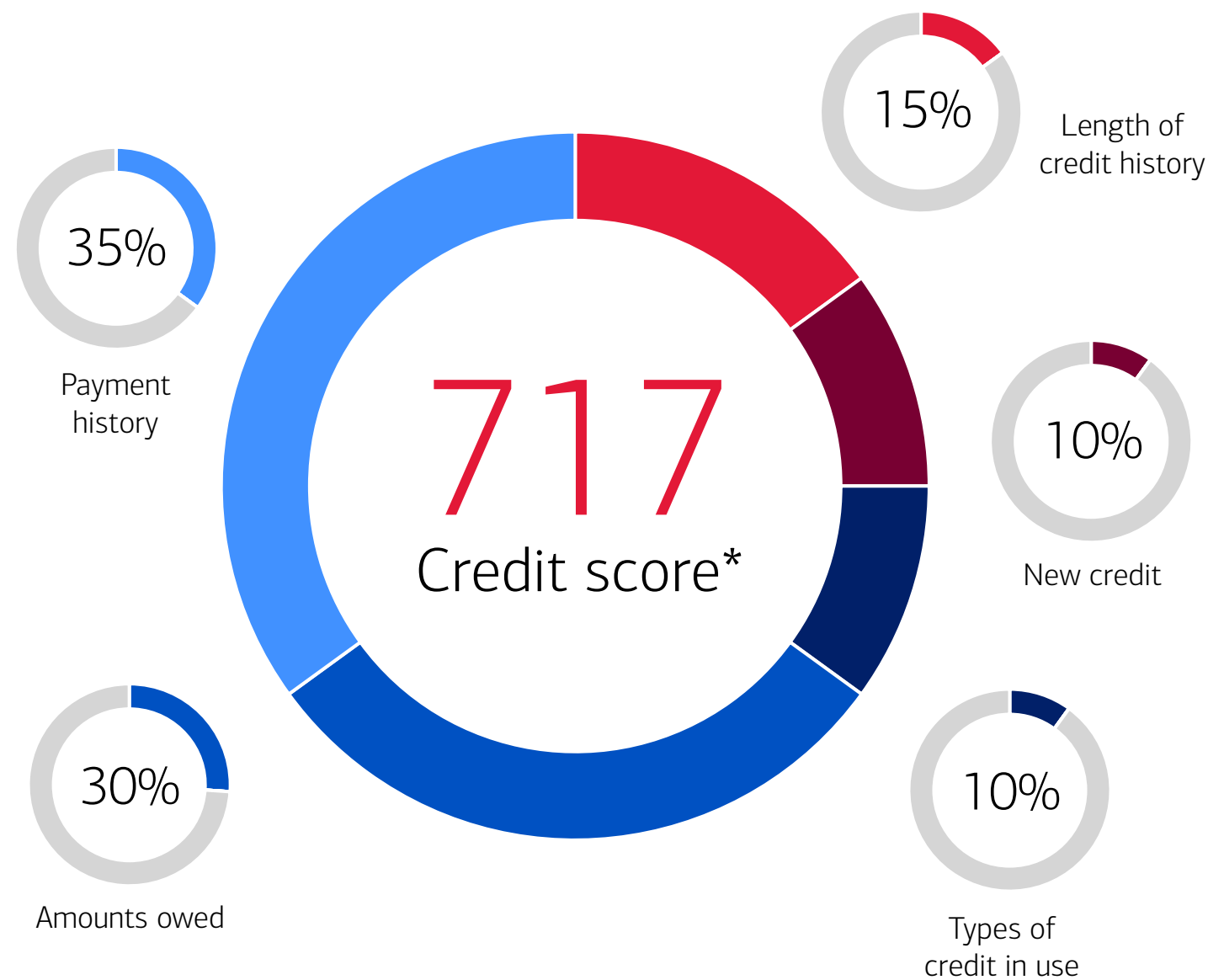


717 is the average credit score among Americans.*

*Average U.S. FICO® Score in 2023.

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What makes up a credit score?



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Where to get your credit score

- Online Banking and mobile apps
- Order your free credit report:
 - Online: AnnualCreditReport.com
 - By phone: Call 877.322.8228
 - By mail: Credit Report Request
P.O. Box 105281
Atlanta, GA 30348-5281



What is a credit report?

A credit report is a history of your accounts and payments collected from public records and companies you do business with. Your credit score is a number generated from details of your report. That number is used by lenders to determine your risk as a borrower and helps them determine your interest rate.

A credit report consists of four sections:

1. **Personal information:** Your name, current and past addresses, Social Security number and date of birth
2. **Credit history:** All loans and credit card accounts and your track record for repaying
3. **Public records:** Bankruptcy filings only
4. **Hard and soft credit inquiries:** Anyone who's checked your credit in the past two years



The three major credit reporting bureaus

It's important to check your reports from all three bureaus because they may contain slightly different information. Each one must supply a free report per year if you ask for it. Here's what to look for:

- Accounts belonging to someone with a similar name
- Accounts incorrectly reported as late or delinquent
- Same debt listed more than once
- Incorrect balances or credit limits

Experian®: experian.com or 888.397.3742

TransUnion®: transunion.com or 800.680.7289

Equifax®: equifax.com or 888.766.0008



Do's and don'ts for improving your credit

DO

- **Keep your balances manageable** and under your credit limit
- **Make your credit payments on time every month**, including loans, utilities and mortgage payments
- **Keep credit accounts** that you've historically paid on time
- **Check your credit report** once a year for accuracy



Do's and don'ts for improving your credit

DON'T

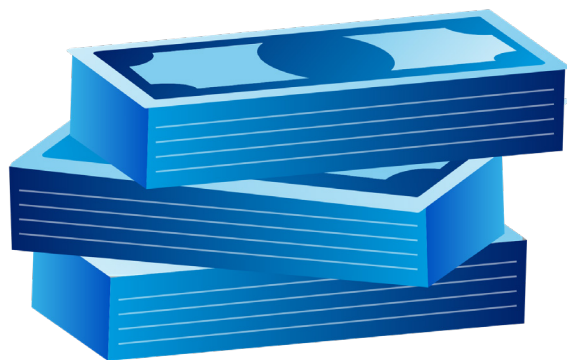
- **Exceed the limits** on your credit card accounts
- **Miss a payment** or fail to pay at least the minimum amount due
- **Apply for a lot of credit accounts** in a short period of time
- **File for bankruptcy** or get your credit account turned over to a collection agency



Paying down credit card debt

By paying more than the minimum requested on your credit card bill, you can save money on interest payments and pay less over time on your debt.

Example:



\$3,000
balance

	\$100/month payment	\$200/month payment
Payoff time	37 months	17 months
Total interest	\$657	\$300
Total cost	\$3,657	\$3,300

Assume a minimum due of \$100 per month and interest that is calculated as an annual percentage rate (APR) of 13%.



1

Credit allows you to borrow money and repay it later. Building good credit makes it easier to get a credit card, buy a car or home, and much more.

2

If you have little to no credit, you can build credit from scratch by opening a checking account and applying for a credit card.

3

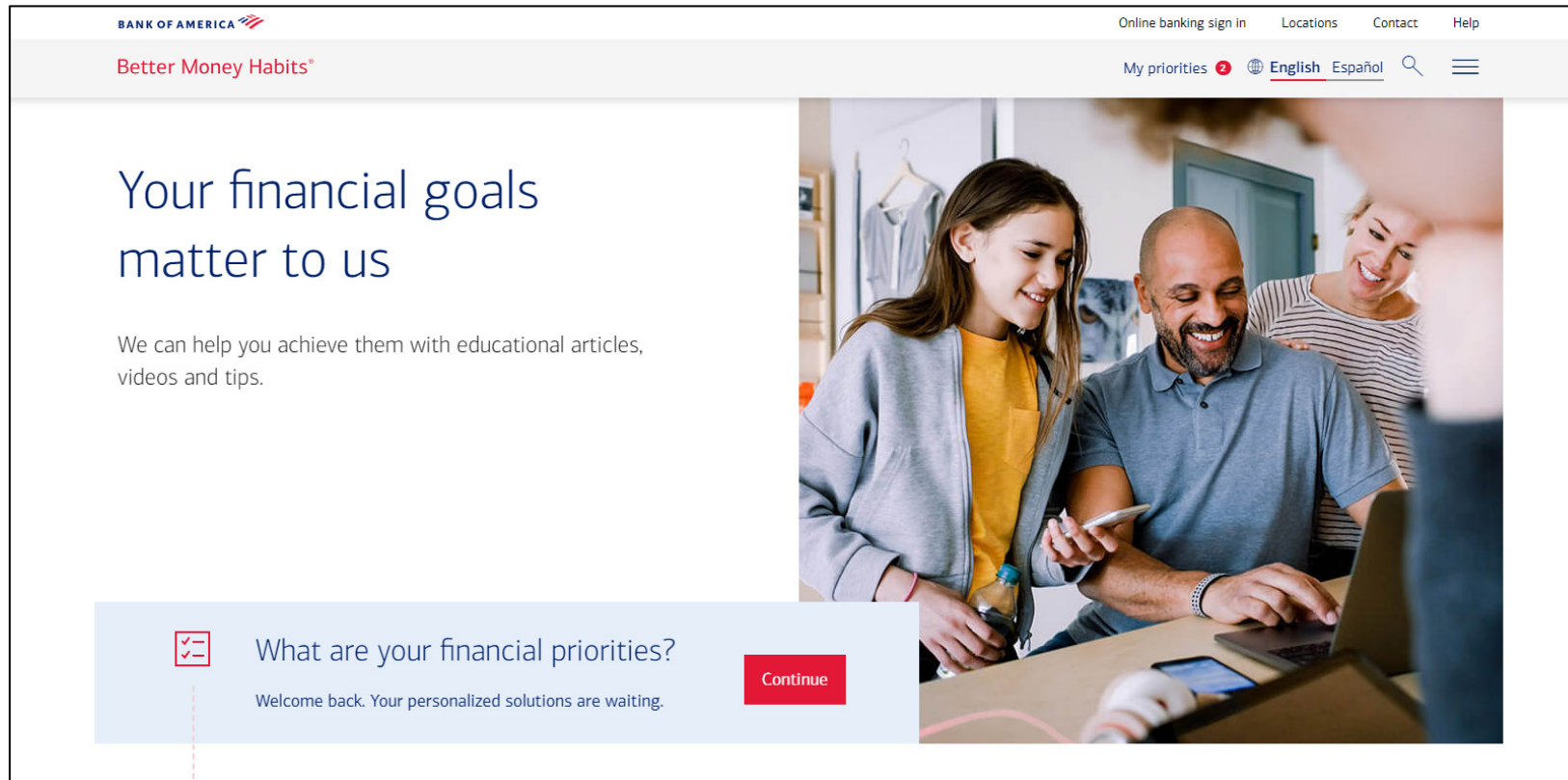
There are two types of credit cards: secured and unsecured.

4

A good credit score in the 700 range makes you more attractive to lenders.

5

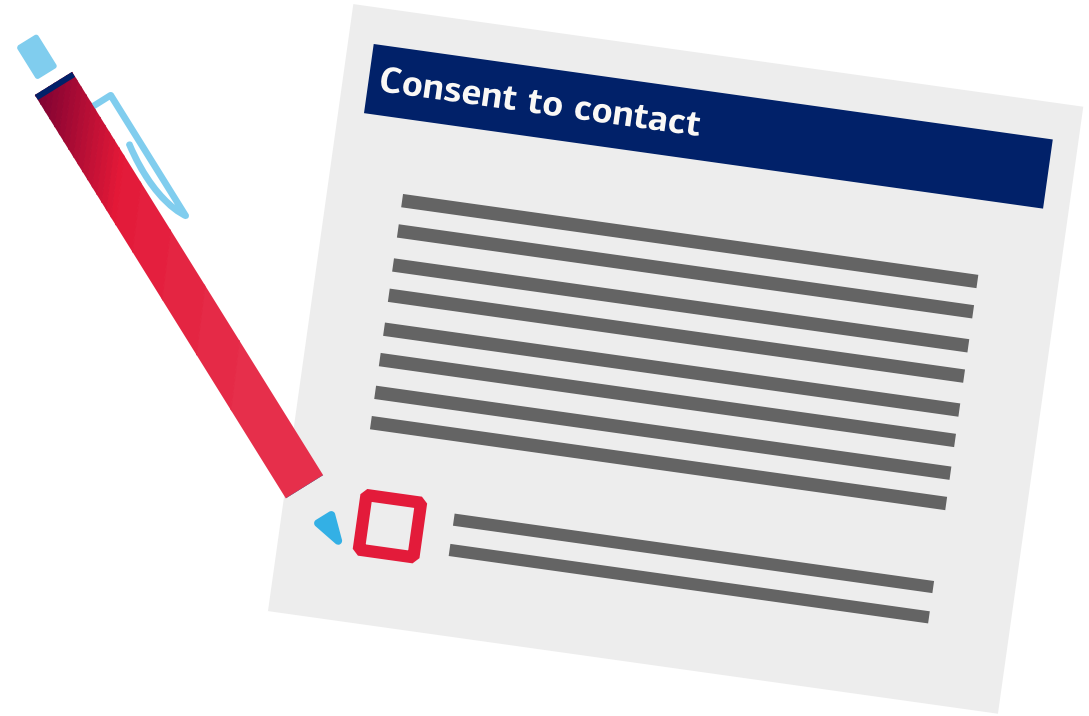
You can avoid paying too much interest by paying more than the minimum and paying off your credit cards in a timely manner.



BetterMoneyHabits.com

Consent to contact card

- Gives you flexibility to reach out at your convenience
- Just scan before you leave, and we can set up a time that works for you



Thank you

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