



ARE YOU CREDIT WORTHY?

Before a lender approves giving you credit, they look at your credit history. Credit History is a record of a person's payment activity. It stays with you for 7-10 years!

THE THREE C'S OF CREDIT

CAPACITY- *can* you repay the debt?
(Do you have a job? Do you have any other debt?)

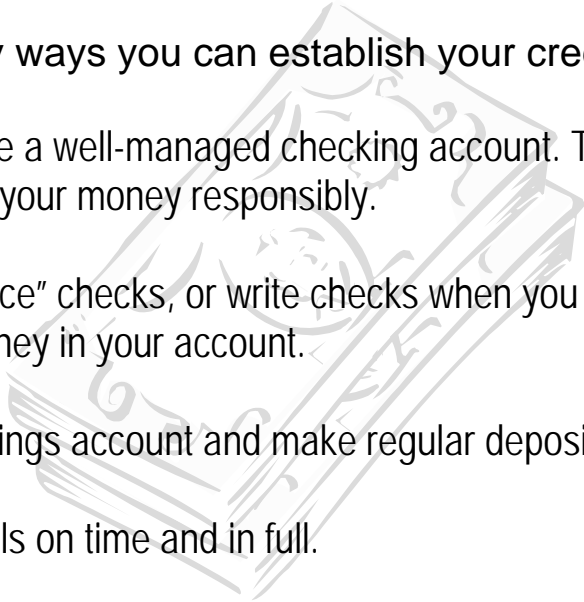
CHARACTER- *will* you repay the debt?
(Have you used credit before? Do you pay your bills on time?)

CAPITAL- *what* if you don't repay the debt?
(What do you own that has value or could be used to repay the debt?)

Answers to these questions help lenders decide whether or not they will give you credit and could also determine the interest rate you pay on your loan.

BUILDING CREDIT HISTORY

There are many ways you can establish your credit history.

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- ⇒ Always have a well-managed checking account. This shows that you handle your money responsibly.
 - ⇒ Don't "bounce" checks, or write checks when you know there is not enough money in your account.
 - ⇒ Open a savings account and make regular deposits.
 - ⇒ Pay your bills on time and in full.