

1. **Consider Credit Cards Carefully** - It's not a good idea to apply for every credit card offer that you receive. Before applying, carefully review the terms, checking items such as Annual Percentage Rate (APR) and how it's calculated. You should make sure you understand the penalties for missing a payment or making a late payment, and how those penalties will impact your interest rate and credit report.
2. **Purchase Only Items You Can Pay Off in Full** - A great way to build credit using your existing credit card accounts is to use your card for small purchases that you're able to pay off in full right away. By only making purchases you can pay off in full, you show potential lenders that you are able to manage credit successfully. You'll also avoid accruing interest.
3. **Read Terms and Conditions Carefully** - It's not uncommon to see low introductory APRs or no annual fees advertised to bring in new credit card customers. Make sure that you know the advertised rates and fees may go up after the introductory period expires. Also, make sure you understand the impact of any changes. You may end up paying more in interest!
4. **Make All of Your Payments On Time** - The best way to build good credit is simply to make all of your payments on time. Making on-time payments shows current and potential lenders that you're responsible with your finances. You'll also avoid late fees and any negative impacts on your credit reports.
5. **Monitor Your Credit Report and Credit Score** - Monitoring your credit report is an important way to keep your credit healthy. It allows you to identify any errors or discrepancies and report them to credit reporting agencies. Monitoring also helps protect against identity theft by making sure that no accounts are being used or opened in your name without your knowledge.

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