

## Managing credit

### Handout 6-4

- Only use as much credit as you can afford to pay back.
- Do not treat credit like free money – it can be very expensive money.
- Shop around for the lowest interest rate.
- Understand your agreement. Make sure you know the payment deadlines and the penalties for late payments.
- Avoid “maxing-out” or using all your available credit.
- Figure out the total price you are paying when you use credit. How much will it cost with interest?
- Read your credit card statements. Make sure the charges and purchases listed are correct. If they are not correct, call your credit card company right away.
- Mark your payment deadlines on a calendar. Allow a few days for processing time before the due dates.
- Pay your full balance by the due date every month if you can.
- Do not miss payments. If you cannot pay the full amount, always make at least the minimum payment.
- Tell your creditor if you cannot make a payment on time. Many lenders will be willing to help you manage your payments if you ask them.
- Use pre-authorized payments if possible. These are automatic payments that go to paying off your loan.