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9 expert credit tips to help you to be card smart



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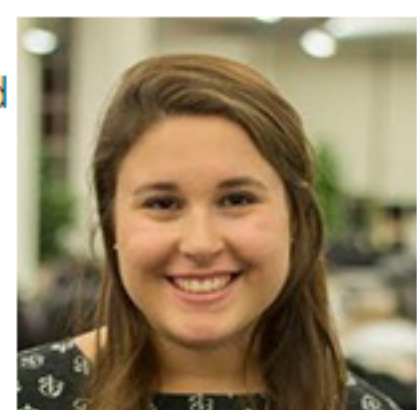


One of the biggest hurdles to healthy credit is credit education. If you don't know how to build and maintain good credit, how can you make the best choices with your cards and credit options? As April, Financial Literacy Month, winds down, what better time to bone up on your credit do's and don'ts?

The personal finance world is packed with money bloggers and credit experts who've learned lessons about managing cards, mending credit and tracking scores. So you don't have to learn the hard way, here are nine of their best tips to manage and maximize your credit.

1. Don't wait to start building credit.

"The longer you have credit, the better your credit will be," says Rebecca Liebman, 22-year-old co-founder and CEO of LearnLux.com. "Make sure to start using a credit card early and use it every month to *build up your credit history* and avoid having a 'thin file.'" Just pay off the balance each time so you're not accruing and paying interest on your charges.



Liebman was spotlighted in Forbes "30 Under 30" feature in April. LearnLux, which bills itself as being "built by millennials for millennials," provides online learning tools to take control of your personal finances, including credit. The startup has partnered with the White House to boost financial literacy, Forbes says.

2.What's your credit style?

Figure out your personal motivator. There are tons of credit card offers out there, with perks ranging from airline miles to cash back and more. Which is best for you? There's no simple answer, says Holly Johnson, co-founder of Club Thrifty.



"To find the best rewards card, figure out what type of points you really want to earn," Johnson says. "Do you want to work toward a free flight or hotel stay? Or, would you rather earn cash back? Once you decide which type of rewards you want to earn, you'll be a lot closer to finding the right rewards card for your needs."

3. Use your cards carefully.

Don't bite off more than you can chew — or charge more than you can cover. "Credit cards can be great tools if used wisely, but with great power comes great responsibility," says Jordann Brown, the blogger behind My Alternate Life.



Brown paid off nearly \$38,000 in consumer and student loan debt in just two years. Now she has a \$1,000 emergency fund, started saving 15 percent of her income for retirement, and she says she has added \$25,000 to her net worth.

Along the way, one simple — but powerful — lesson became very clear: "If you don't have the cash in the bank to pay it off, don't buy it!"

4. Mind your B's: budget and balance.

Define your goals, and use credit to help you achieve them, says personal finance writer Andrea Murad.



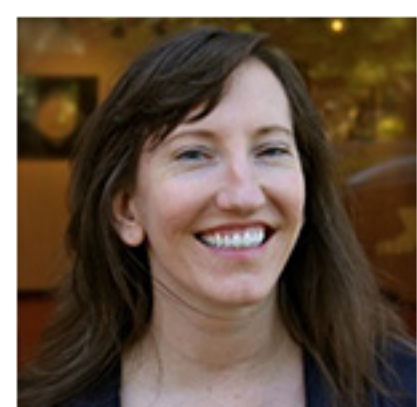
She knows all about using her credit cards to help her get where she's going:

"Living on a *budget* is about not spending more than you make, but sometimes, we need to bridge the gap between the two and use credit cards to make up the difference," she says. "If you're carrying a balance, the amount you're paying on credit card interest could be delaying your long-term goals."

And what is Murad's long-term goal? To become a full-time writer, and she's taking steps each day to get herself a little closer. "It's about wanting for now, or wanting a different life," she says. "Having goals should be motivation enough to start cutting your spending so you can pay off these balances."

5. Keep charges 'low, low, low'

"What's the best credit tip from Melanie Lockert, the woman behind the Dear Debt Blog? "It's important to *keep your credit card balances low*," she says.



Sure, that *sounds* simple, but it takes work. "Even if you pay off your balances in full each month, your credit may still be at risk if you carry high balances," she says. "Credit utilization, or how much of your credit limit you use, should be 20 to 30 percent or less."

And let your card work for you, she adds, but make sure you're the one in the driver's seat. "When looking for a credit card, find something that has rewards. Don't get tempted to spend more because of them, but maximize your rewards through everyday spending."

6. Always pay on time and in full.

The No. 1 rule of credit is always pay your balance on time and in full, says Erin Lowry of Broke Millennial. "There is never a need to carry a balance on your credit card."



Lowry, 26, strives to be fiscally responsible. "Unfortunately, some of my fellow millennials don't find money so empowering," she writes on her website. So Lowry started Broke Millennial "to increase financial literacy — mostly through telling funny financial tales from my own life and sneaking in an actual money lesson."

7. Credit takes time to build.

"Credit is just like trust," says finance literacy speaker and author Steve Repak. "It takes a long time to build it, but only one little mistake to hurt it."



Repak, the author of "6 Week Money Challenge: For Your Personal Finances," adds, "A great way to show your creditors that you are trustworthy is by paying your debts on time."

Repak knows from firsthand experience how a credit mistake can hurt.

After 12 years of military service, Repak left the Army with over \$32,000 in credit card debt, ironically landing a job in personal finance through contacts he made while serving. By observing what his wealthy clients did differently, Repak was able to get his own financial house in order. Now he's helping others to do the same thing.

8. Check your credit reports.

"Pull and review your *credit reports* more often than not," says "credit coach" Jeanne Kelly. "I always tell people this is my No. 1 rule."



Whether you've never looked at your credit reports or you just haven't looked at them in years, it's important to do so regularly, she says. Pull your credit reports from the three credit bureaus (Experian, Equifax and TransUnion) for free at [AnnualCreditReport.com](#).

"Look at them in detail with a highlighter, and anything that is wrong or does not make sense to you highlight and contact that credit bureau to dispute or get more information about the issue," she says. Then rotate reviewing your credit reports, once per year and at different times "to make a habit of it."

9. Be careful when adding a statement to your credit report.

"Most people don't know that using the personal statement on your credit report can be detrimental to you since you may be admitting you were at fault," says Brette Sember, author of "The Complete Credit Repair Kit." Sember has practiced law in New York, on matters including divorce, bankruptcy and credit.



"If you try to explain that you were sick and couldn't pay, or you got a divorce and got behind on payments, you're admitting you are at fault and that closes down some avenues to getting your credit rating fixed," she says.

Sember's advice: "It's often better just to leave that *credit statement* blank."

All of these money bloggers and personal finance authors agree that credit itself is not the enemy — the trouble comes when you don't know how to use it. So study up on their credit lessons so you can use credit to your advantage from this April forward.

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