

The book was found

Getting Out Of Debt (Quickstudy: Home)

Getting out of DEBT

BUILDING & REBUILDING CREDIT

What Do Creditors Look For When Deciding Creditworthiness?

- There are three factors that are used to credit check to understand how creditworthy you are: income, assets, and liabilities. Income is your salary and assets are what you own.
- All of these factors are closely related. If you have a high income, you are likely to have a high credit score. If you have a low income, you are likely to have a low credit score.
- The following three "C's" help lenders decide if you are creditworthy:
 - **Character** - do you intend to repay your debts?
 - **Capacity** - can you repay the debt?
 - **Capital** - what are your resources for repaying the debt?

How Much Credit Can You Afford?

It is recommended to use only 10% of your gross income toward unsecured debts. For example, if you earn \$2,000 per month after taxes, then your credit limit should be about \$2,000. If you have a credit limit of \$10,000, you are likely to have a credit score of about 600. If you have a credit limit of \$20,000, you are likely to have a credit score of about 700. If you have a credit limit of \$30,000, you are likely to have a credit score of about 800. If you have a credit limit of \$40,000, you are likely to have a credit score of about 900. If you have a credit limit of \$50,000, you are likely to have a credit score of about 950.

How Americans Spend Their Money

The pie chart below shows the breakdown of how the average American spends their money. The total expenditure is \$17.1 billion. The average American spends more money on housing, food, and transportation than on any other category.

TYPICAL SPENDING

Category	Percentage
Housing	20%
Food	15%
Transportation	10%
Life Insurance, Security, Retirement	10%
Savings	15%
Entertainment	10%
Health	10%

Building or Rebuilding Your Credit History

- Not all banking services are available to everyone. Some services are a privilege, not a right.
- There are three ways to build credit: 1) by using credit cards, 2) by using a credit line, and 3) by using a credit report.
- The following are some ways to build or rebuild your credit history:
 - Establish a credit record.
 - Pay on time.
 - Open a checking account, and avoid bouncing checks or overdrawing the account.
 - Open a savings account, and make regular deposits.
 - Apply for a credit card, and use it responsibly.
 - Apply for a small loan, and make regular payments.
 - Apply for a small loan, using your savings account as collateral.
 - Get a co-signer on a loan, and pay back the loan on schedule.

Before You Sign Up for a Credit Card

- Read the cardholder agreement carefully.
- Know the terms of the card, such as the interest rate, the annual fee, and the grace period.
- Read the cardholder agreement carefully.
- Know the terms of the card, such as the interest rate, the annual fee, and the grace period.

Comparing Credit Cards

Consider the following before you sign up:

- Annual fee
- Interest Percentage Rate (APR)
- Finance charge computation
- Grace period
- Penalty fee for missed or late payments

Questions to Ask About Credit Cards

- What would be my credit limit?
- Can you lower my annual interest rate if I use my card responsibly?
- What services are available?
- How do you compute my APR?
- How do you compute my finance charge?
- How do you compute my penalty fee?
- How do you compute my annual fee?



Synopsis

A complete quick reference guide to help you in building and rebuilding credit.

Book Information

Series: Quickstudy: Home

Pamphlet: 4 pages

Publisher: QuickStudy; Lam Crds edition (May 28, 2003)

Language: English

ISBN-10: 1572227664

ISBN-13: 978-1572227668

Product Dimensions: 8.5 x 11 x 0.1 inches

Shipping Weight: 0.8 ounces (View shipping rates and policies)

Average Customer Review: 3.0 out of 5 stars [See all reviews](#) (2 customer reviews)

Best Sellers Rank: #1,205,528 in Books (See Top 100 in Books) #238 in [Books > Business & Money > Personal Finance > Credit Ratings & Repair](#) #2086 in [Books > Business & Money > Personal Finance > Budgeting & Money Management](#) #278215 in [Books > Reference](#)

Customer Reviews

I was anticipating this quick study guide to be much more insightful. No new or useful information, I have already either researched the information listed or heard about it. Expected something totally different.

This product is very well put together and a wonderful learning tool for both school and yourself! I really love the detailed work put into the barchart series of self help guides. Two thumbs up.

[Download to continue reading...](#)

Debt Free for Life: The Ultimate Guide to Get Out of Debt (FREE Bonuses Included) (Debt, Debt Free, Debt Free Forever, Debt Free for Life, Debt Free for Good, Debt Management, Get Out of Debt) Getting Out Of Debt (Quickstudy: Home) How to Get Out of Debt, Stay Out of Debt, and Live Prosperously*: Based on the Proven Principles and Techniques of Debtors Anonymous Debt Free or Die Trying: How I Buried Myself in Over \$30,000 in Debt and Dug My Way Out Debt-Proof Living: How to Get Out of Debt & Stay That Way Money Management Tips: Control Money Don't Let It Control You (Budgeting your money, How to save money tips, Get out of debt fast, Live cheap, Debt free, Spend less) The Death of Money: Best Tips How to Survive in Economic Collapse and Get out

of Debt (dollar collapse, prepper supplies, prepping, debt free, free money) ... self help, budgeting, money free Book 3) The Death of Money: The Prepper's Guide to Survive in Economic Collapse and How to Start a Debt Free Life Forver (dollar collapse, how to get out of debt) (Preppers, self help, budgeting Book 1) Debt-Free Living: Eliminating Debt in a New Economy Master Your Debt: Slash Your Monthly Payments and Become Debt Free The Debt Escape Plan: How to Free Yourself From Credit Card Balances, Boost Your Credit Score, and Live Debt-Free How to Reduce Your Debt Overnight: A Simple System to Eliminate Credit Card and Consumer Debt Fast Rich Dad's Guide to Becoming Rich Without Cutting Up Your Credit Cards: Turn "Bad Debt" into "Good Debt" Hustle Away Debt: Eliminate Your Debt by Making More Money The Death of Money: How to Survive in Economic Collapse and to Start a New Debt Free Life (dollar collapse, prepping, death of dollar, debt free, how to ... how to make money online, shtf Book 1) Chef'S Guide To Herbs & Spices (Quickstudy: Home) Cat Care (Quickstudy: Home) Home Staging for Profit: How to Start and Grow a Six Figure Home Staging Business in 7 Days or Less OR Secrets of Home Stagers Revealed So Anyone Can Start a Home Based Business and Succeed 33 Ways to Raise Your Credit Score: Proven Strategies to Improve Your Credit and Get Out of Debt How to Wipe Out Your Student Loans and Be Debt Free Fast: Everything You Need to Know Explained Simply

[Dmca](#)