

# CREDIT

## Types of Credit

 Installment Loans

 Student Loans

 Mortgage

 Payday / Title Loans

 Credit Cards

- Secured
- Unsecured
- Store Cards
- Prepaid

## 5 C's of Credit

-  Capacity Income to debt ratio  
*How much debt can you take on*
-  Character Trust and accountability  
*How do you conduct your business. Do you pay on time. Do you have a lot of debt.*
-  Collateral Something of value  
*What do you have of value to secure the loan In an auto loan the car is collateral*
-  Conditions Bad things do happen to good people  
*What conditions may have occurred in the past that effected your credit. Whats your story.*
-  Capital Down payment/skin in the game.  
*What do you own. What is in your savings.*

***Delayed Gratification = Sacrifice***  
***Principle + Interest = Loan***

## Life is All About Having Choices

- ◆ *The choice to work where you want.*
- ◆ *The choice to pay a lower price.*
- ◆ *The choice to buy your dream car.*
- ◆ *The choice to avoid paying deposits.*
- ◆ *The choice to pay less in interest.*
- ◆ *The choice to make your own decision.*

## Side Effects of Bad Credit

1. High interest rates on your credit cards & loans
2. Credit and loan applications may not be approved
3. Difficulty purchasing a car
4. Difficulty getting approved for an apartment
5. Security deposits required
6. Higher insurance premiums
7. You can't get a cell phone contract
8. Calls from debt collectors all day
9. Difficulty starting your own business
10. You could get denied employment

## Ways to fix it

1. Pay on time every time
2. Reduce overall debt
3. Reduce credit card debt
4. Work out payment plans
5. Build a budget
6. Stick to the budget
7. Love your budget
8. Talk to your local credit union
9. Avoid emotional purchases
10. Pay attention to the small stuff

## Know Your Credit.

Know what's going on with your credit. Get a FREE credit report once a year, no strings attached with ***creditkarma.com***

