



FROM THE  
**CREDIT**  
**GROUND UP**

NEXT LEVEL CREDIT

# CONTENTS

## SECTION 1

Understanding What Credit Is

## SECTION 2

Budgeting & Getting Organized

## SECTION 3

Habits to Develop for Great Credit

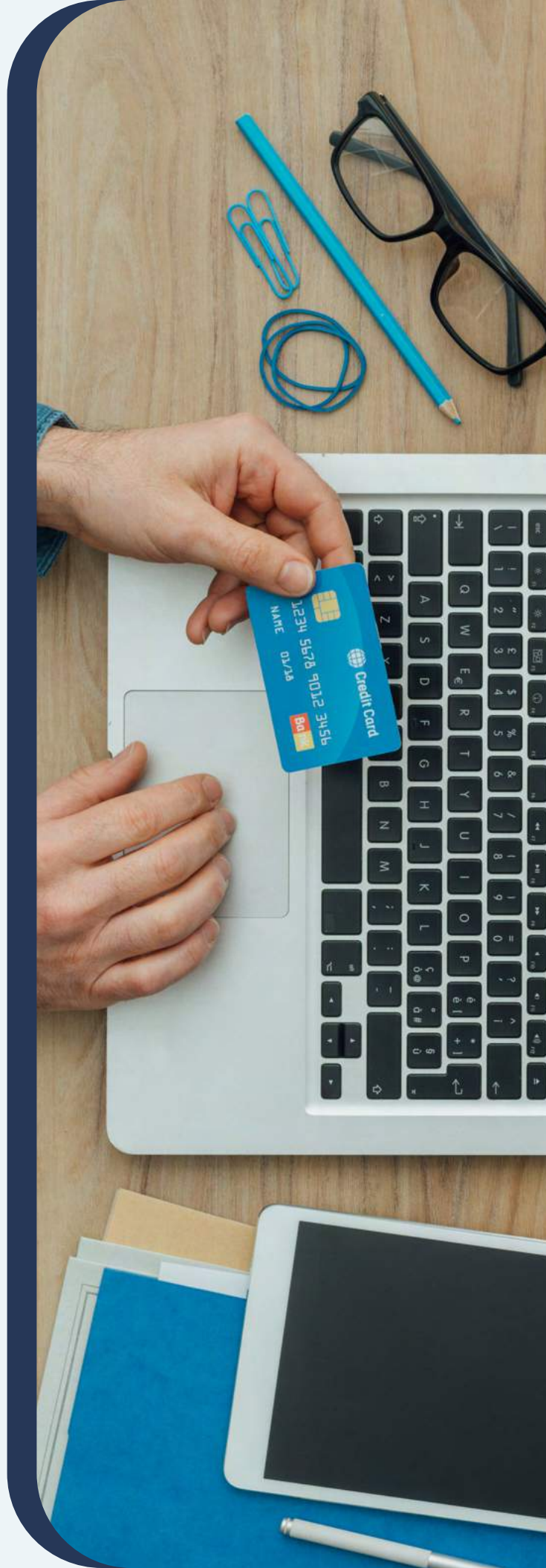
## SECTION 4

Types of Credit Accounts

## SECTION 5

Resources & Offers

**NEXT LEVEL CREDIT**





A hand is holding a red credit card with a black magnetic stripe and a white label area. The card is positioned over a silver laptop keyboard. The background is a light-colored surface, possibly a desk.

## SECTION 1

# Understanding What Credit Is

and the steps to build it

NEXT LEVEL CREDIT

# SECTION 1

## Understanding What Credit Is and the steps to build it

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Credit is a numeric calculation, based on the items on your credit profile, of your ability to obtain and properly maintain goods or services offered by lenders. Credit Scores are calculated by 5 factors : Payment History, Credit Usage/Utilization, Length of History, Types of Accounts and Recent Activity/New Accounts.

To build a perfect score:

1. Pay all of your bills on time.
2. Keep your Utilization LOW! Pay all of your credit cards off by the DUE DATE each month. Charge 10% or LESS (1-3% for BEST results) of your credit balance by the STATEMENT DATE each month and let it report to the bureaus.
3. Ask for credit limit increases on existing credit cards to offset your debt to income ratio.
4. Dispute credit report errors by mail. NEVER Online
5. Become an authorized user on a trusted and RESPONSIBLE family member or friends account.
6. Use a secured credit card to leverage credit for any credit profile.
7. Keep credit cards open because credit history is a factor in your score.
8. Ensure you have a good credit mix of revolving AND installment accounts.

# SECTION 1

## Understanding What Credit Is and the steps to build it

Building credit takes time. It is said that it takes around six to twelve months to build a solid credit profile. During the building phase, it is very important to treat your credit as a top priority. This guide will help you stay focused and make good credit decisions.

There are five factors that go into calculating your FICO® score.

### **PAYMENT HISTORY:**

Even making one or two late payments on your account could negatively affect your score. Credit reports show at least two years of credit history indicating if payments were made on time.

### **CREDIT USAGE:**

You should keep your credit usage under 30% on each account. If you want to be considered under "elite" status, you should keep your usage under 10% usage.

### **LENGTH OF CREDIT HISTORY:**

Keeping accounts open even if they are not being used regularly is important. Credit history on positive accounts is a good thing. Don't close them out.

### **TYPES OF ACCOUNTS:**

Having various types of accounts on your credit report is important. It shows creditors and lenders how you handle different types of credit. These include installment and revolving accounts.

### **RECENT ACTIVITY:**

Can include inquiries, personal information and job history. This shows stability to future creditors and lenders



**SECTION 2**

# **Budgeting & Getting Organized**

the foundation of wealth management

**NEXT LEVEL CREDIT**

## SECTION 2

# **Budgeting & Getting Organized** the foundation of wealth management

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When you start to apply for new lines of credit, organization will be very important. It is best to have a system in place prior to applying for the new lines of credit to prepare for the new responsibility.

You will want to write down your income and expenses. Remember to include income from all sources. Only factor in the steady/guaranteed income. Any other income should be placed in a "petty cash" or savings account for your emergency fund.

When you write down your expenses, be sure to go over your bank statements line by line. It is best to do this for at least three months to catch any charges that might be a quarterly charge (Fabfitfun, for example). Small charges will add up. It is best to underestimate your income and overestimate your expenses. Tracking monthly expenses will vary every month. Averages can be used but always estimate high.

It is important to cut out any expenses that are not necessary. Cancel subscriptions or memberships that you are not using. This will free up income to spend on building your new credit file.

Creating goals during this process can help you stay focused on your "why". Why are you trying to create a well-rounded credit profile? The investment into your new accounts will pay in dividends when you are able to qualify for the new house, vehicle or loan that you're trying to qualify for.



A woman wearing a blue and white vertically striped button-down shirt is shown from the chest down. She is sitting at a desk. In her right hand, she holds a black pen, poised to write on a white notepad. In her left hand, she holds a white smartphone. On the desk in front of her is a black calculator. The background is a soft, out-of-focus light blue.

Used correctly, a budget  
doesn't restrict you;

**IT EMPOWERS YOU.**

-TERE STOUDDER

**NEXT LEVEL CREDIT**



## SECTION 2

# Budgeting & Getting Organized

## the foundation of wealth management

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Organization is very important for your existing and new accounts.

We recommend writing down the following for each account:

- Account name
- Account number
- Payment due date
- Payment statement date
- High credit limit
- Minimum payment due
- Amount paid
- Credit utilization

We have provided a budgeting worksheet on the next page. You can print this as many times as you need to keep track of your accounts. Remember to make on time payments every month. Do not spend more than the limits on the credit accounts. Keep your utilization low and pay by the statement date but no later than before the due date.

When you are using the budgeting worksheet, keep your other expenses on track as well. Even though they aren't always reporting to your credit, if you fail to pay, they could be sold to a collections agency and be reported as a negative account on your credit report. It can be difficult to recover quickly from this scenario. Please schedule a consultation if you have any question about how to keep your finances organized.



# Credit Report

Your Credit Score is:

765

800

Credit Rating: EXCELLENT

Excellent:	700 - 800
Good:	501 - 700
Fair:	351 - 500
Uncertain:	301 - 350
Poor:	250 - 300

## SECTION 3

Current:  
Unpaid:  
Credit History  
Historical Neg.

Account Balance: \$ 193,450  
Monthly Payment: \$1,842

# Habits to Develop for Great Credit

good choices daily add up to a lifetime of success

NEXT LEVEL CREDIT



## SECTION 3

### **Habits to Develop for Great Credit**

good choices daily add up to a lifetime of success

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These habits will keep you focused and allow you to reach your goals:

1. Get on a budget
2. Live below your means
3. Pay off debt
4. Automate your finances
5. Build your emergency fund
6. Grow your money by investing
7. Get the right insurance
8. Review your bank statements
9. Increase your deductions
10. Track your expenses
11. Pay yourself first
12. Pay your bills early
13. Create a financial plan
14. Cut expenses
15. Be a savvy shopper
16. Save for a rainy day

# THE GOAL TRACKER

BIG GOAL	SMALLER STEPS TO COMPLETE		DONE
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	

A close-up photograph of a person's hands holding a dark grey credit card and a smartphone. The person is wearing a light-colored, ribbed sweater. The background is softly blurred, showing a bright light source. A blue banner with rounded corners is positioned across the middle of the image, containing the text 'SECTION 4'.

## SECTION 4

# Types of Credit Accounts

secured vs. unsecured



## SECTION 4

# Types of Credit Accounts

## revolving credit vs installment loans

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### REVOLVING CREDIT

is credit that is renewed as the debt is paid, allowing the borrower access to a line of credit when needed. Often they have variable payments and interest rates. The available credit varies based off payments made.

**Examples include:** credit cards and lines of credit.

### REVOLVING CREDIT

is an extension of credit by which fixed, scheduled payments are made until the loan is fully paid. They often have a set payment schedule, payment amounts & interest rates.

**Examples include:** mortgages, auto loans, student loans, and private personal loans.

A photograph of two women walking through a shopping mall, both carrying multiple shopping bags. The woman on the left is wearing a grey dress and a straw hat, while the woman on the right is wearing a white sweater and a black skirt. The background is a brightly lit mall with other shoppers and store displays.

Do not go broke

# TYRING TO LOOK RICH

-UNKNOWN

**NEXT LEVEL CREDIT**

## SECTION 4

# Types of Credit Accounts

## secured credit cards vs. unsecured credit cards

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With a **SECURED CARD**, you can qualify with bad credit. They have few approval qualifications. This type of account offers a deposit-protected and structured environment to build upon. These accounts report to credit bureaus. Often the deposit is refundable with good payment history or upon closing the account. Sometimes they will covert to unsecured.

**UNSECURED CARDS** typically have lower interest rates and fewer fees but require a higher qualification criteria. They can offer access to rewards programs. This type of credit card has more offers available. It is easier to qualify for higher credit limits that can help you fund large purchases without maxing out the card or hurting your utilization ratio.





## SECTION 5

# Resources & Offers

to create a balanced credit profile

NEXT LEVEL CREDIT

## SECTION 5

### Resources & Offers

to create a balanced credit profile

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#### CREDIT MONITORING

- + Sign up for credit monitoring
- + Keep track of accounts
- + Monitor for inaccuracies

[ACCESS HERE](#)

#### CREDIT BUILDER CARD

- + Secured card for all credit profiles
- + Helps build credit fast
- + \$200 investment to start

[ACCESS HERE](#)

#### SELF LENDER

- + Savings account reports as a loan
- + Easy approvals for any credit profile
- + Small investment and variable terms

[ACCESS HERE](#)

#### KIKOFF

- + Installment account reports \$500 line
- + No credit score required to start
- + Investment as low as \$2/month

[ACCESS HERE](#)

# THE ROADMAP TO SUCCESS



A man and a woman are sitting on a couch, looking at a laptop. The man is shouting with his mouth wide open and his right arm raised. The woman is smiling broadly with her right arm raised. The background is a bright window with a grid pattern.

Don't forget

**MAKE YOUR NEXT CHOICE  
YOUR BEST CHOICE**

**NEXT LEVEL CREDIT**



