

to reduce your payments. They may be willing to work with you if you've paid promptly in the past.

An alternative solution is to contact the Consumer Credit Counseling Service. It is a non-profit organization that works to arrange a repayment plan agreeable to both the consumer and creditor.

Be wary of advertisements that promise "instant credit" or credit cards "regardless of past credit history or lack of credit". These operations usually cannot keep their promises to repair or clean up credit histories.

Beware of companies that claim to offer assistance in solving debt problems! Be sure you understand the services offered and possible hidden costs. Your home could be required as collateral!

REMEMBER: THERE IS NO EASY REMEDY TO FIX A BAD CREDIT HISTORY! THE BEST DEFENSE IS NOT TO LET IT HAPPEN IN THE FIRST PLACE!



Have A Consumer Complaint?

Need Consumer Information?

Need A Speaker?



**DELAWARE COUNTY
OFFICE OF CONSUMER AFFAIRS
and
WEIGHTS AND MEASURES**

**GOVERNMENT CENTER BUILDING
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**CREDIT
GET IT,
USE IT,
DON'T ABUSE IT!**



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CREDIT

With credit you have the power to buy now and pay later. Unless you can pay in cash for a car or home, access to credit is essential! **A GOOD CREDIT RATING IS A PRICELESS ASSET!!**

Q: How Is Good Credit Determined?

A: Lenders will generally contact your local credit bureau for a copy of your credit report. Your bureau report is based on information supplied by prior creditors about your payment habits. It includes payments made on credit cards and installment loans. It reveals how timely payments were made, whether you paid the loan in full, or if the account is still open and the credit limit currently on the account. Other information that may be included is where you live and work, if you have ever been sued, and matters such as judgments or bankruptcies. After reviewing how you've managed past debts lenders can determine if you will be a good credit risk.

GET IT

Q: What If I've Never Had Credit?

A: A good way to begin building credit is to apply for a credit card with a local business, such as a department store. Another option is to borrow a small amount from a credit union or bank where you already have checking or savings accounts. Be sure they report it

to a credit bureau so it becomes a part of your credit history.

Q: I've Used Credit For Years, But Only In My Spouse's Name. How Can I Get Credit In My Own Name?

A: If you are currently sharing an account with your spouse, notify the creditor in writing to report it under both names. This is your right under the "Equal Credit Opportunity Act", and the creditor is obliged to do so at your request. Include in the request your social security number and full name.

Q: My Credit Application Was Rejected, What Should I Do?

A: The creditor who rejected the application must identify the credit bureau that reported your credit history as negative. Within 30 days of rejection, you can write the credit bureau for a free copy of your credit report.

Make sure the information in the file is accurate. If it is inaccurate, correct it by contacting the creditor. Explain the problem and have them inform the credit bureau of the error. Request a copy of the correction be sent to you.

Some information can only be deleted by the passage of time. Negative information is reported for seven years, and bankruptcies for ten years. If the unfavorable information is accurate but not a result of your actions, you have the

right to have a 100-word explanation included in your credit report. Your credit report will explain how to submit your statement for inclusion.

USE IT

Once you have established credit, use it! Make small purchases each month - \$10 or \$20 is adequate. Pay at least the minimum on your bills before the due date stated. It is a good idea to pay the bill in full, as doing so will save you a sizeable amount in finance charges (Be aware that most cards have finance charges as high as 18%). Use your credit card wisely – never charge more than you can comfortably afford. Now, start building your credit history and prove you are a good credit risk.

When using credit, proceed with caution – it is very easy to overextend your credit. Remember that you must have the money to pay for anything you charge. Take your increased buying power very seriously.

DON'T ABUSE IT

Q: I Have Credit, But I'm Having Trouble Keeping Up With The Payments. What Can I Do?

A: Don't wait until your bills are forwarded to a collection agency! Acknowledge your problem at the very beginning by contacting your creditors. Try to work out a modified payment plan