

## Building New Credit Habits

Repairing your credit entails getting rid of the negative credit report information and catching up on your overdue bills. This could raise your credit score but might not be enough to make you credit worthy again. However, to raise your credit score high enough to entitle you to a loan, you have to rebuild your credits. Doing so would only prove that you have the capability to handle credit responsibility.

Although it might be difficult to start, but once you achieve that momentum you need, you will be sashaying to a good credit score. You can always begin by developing the required credit habits.

## The Do's of Using Your Credit Card Wisely

Although many people are born without the skill it requires to use credit cards, it is important to learn the rules of the game. All you need to do is to remember simple do's and don'ts of credit card usage and in time, you would welcome healthy spending habits in your financial life.

The first thing you do want to ever do is to use your credit card to make your everyday purchases, especially food, gas and clothing. It is bad enough not to have cash-on-hand but buying simple everyday items can develop into a habit wherein you may tend to substitute a credit card with cash. It is always advisable not to take your credit card out of your wallet for everyday purchases but instead use your cash or a debit card.

The next thing you do not want to do is develop a habit of making minimum-only payments. If you make minimum payments each month, you are only increasing the length of time it will take for you to pay off your debt. Additionally, it will also increase the amount of interest you could end up paying.

If you are one of those people who usually buy things

that are way off budget, remember not to use your credit card to buy things you cannot afford. One way to get into debt is living off borrowed money. You might end up waking one day realizing you are so much indebt that you wish to return your expensive purchases back to wherever you bought them from.

### The Do's of Using Your Credit Card Wisely

Learn how to make correct decisions when it comes to buying items you need against those you simply want. Everybody knows what a "need" is and what a "want" is. Remember not to substitute need from the want and vice versa. If you are using your credit card wisely, it only means that you are being responsible in recognizing what things you need and which you only want.

Next, always let your creditor know in advance if you would not be able to pay your monthly payment on time. Since most creditors offer assistance with your payment if you give them a heads up, it is important not to simply forget about the payment for no reason at all. You can do this by simply calling your creditor, explain the situation and ask if they allow late fees to be waived.

Lastly, do not exceed with your credit limit. The safest is to stay within at most 30% of your credit limit. Because the major part of your credit score reflects on the quantity of debt you actually have, it is important to keep your balance low in order to preserve a good credit standing.