

Comparing CARDS

- IT'S A -
**MONEY
THING™**

AT A GLANCE

DEBIT CARD

Linked to your **checking account**. Think of it like an instant personal check. Transactions are taken out of your account right away.



- + Affordable
- + Easy to access and manage
- Overdraft fees
- Holds can be placed on your card when buying gas or reserving a car or hotel

CREDIT CARD

Gives you access to a **line of credit**. Think of it like a convenient way to borrow money. Transactions are covered by the card issuer or financial institution, and you then have to pay them back at a later date.



- + Some cards offer attractive rewards programs
- + Builds credit score when used responsibly
- Easy to overspend, which results in carrying a balance and paying interest on the outstanding balance

PREPAID DEBIT CARD

Not linked to an account or a line of credit. Think of it like cash, but in card form. It can only access the funds already loaded onto it.



- + No approval process; anyone can own one
- + Can be handy for travel
- Fees can add up quickly
- Not all prepaid cards are protected from loss or theft

PROS AND CONS

HOW TO MAKE THE MOST OF YOUR CARDS

No matter what combination of cards you use, your financial behavior determines whether you're making the most of them (or letting them get the best of you).



Stay organized. Forgetting about a credit card bill could translate into a hefty late fee, a high interest rate or real damage to your credit score. If you ignore your checking account statements, you could accidentally overdraw your account and be hit with an overdraft fee. Whether it means getting a new filing cabinet or setting up online banking, organization is the key. Make it happen!



Ask questions and read the fine print. Understand the ins and outs of your cards. Is there a transaction limit on your debit card that you should be looking out for? Does your credit card provide you with an extended warranty on purchases that you could be taking advantage of? Get to know your cards in order to maximize benefits as well as to avoid unnecessary penalty fees.



Did you know that most credit cards today are made out of polyvinyl chloride, also known as PVC?

That's the same material used to make PVC pipe and vinyl records!

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How to read a CREDIT REPORT

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YOUR CREDIT REPORT

Info

Name: Address: **1**
Date of Birth: Previous Address:
SSN: Employer:

Consumer Statement **2**

I requested a fraud alert because a credit card was opened without my knowledge on November 17th 2014. It is still under investigation.

Account History

Credit Card #1	R1	R1
Balance: \$280	R1	R2
	R1	R1
	R1	R1
	R1	R1

3

Inquiries **4**

So and So Bank August 2013
Car Rental Place February 2014

*** Please contact consumer before
extending credit *** **5**

If you know what to look for, your credit report can be a powerful tool in boosting your credit score and protecting you against identity theft.

1 PERSONAL INFORMATION

Review your personal information and make sure it is up-to-date.

2 CONSUMER STATEMENT

If something on your credit report is in the process of being disputed (like an error or activity related to identity theft), your explanation of the issue appears here.

3 ACCOUNT HISTORY

Go over this section carefully. Some credit bureaus use symbols or codes to indicate the status of your account (we've included some common examples). Keep an eye out for:

- Accounts that aren't yours
- Closed accounts listed as open (and vice versa)
- Errors in your account history (like late payments)
- A missing notice of dispute (there should be a record of any errors you've reported in your account history)
- Negative activity that's more than seven years old

4 INQUIRIES

Here you can see which lenders and companies have pulled up your credit report. Contact any companies that accessed your report without your permission.

5 FRAUD ALERT

If you suspect that you're a victim of identity theft, you can request a fraud alert. This requires lenders to verify ID before extending any credit in your name.

NORTH AMERICAN STANDARD ACCOUNT RATINGS

- R0** Too new, approved but not used
- R1** Pays within 30 days of due date
- R2** Pays within 60 days of due date
- R3** Pays within 90 days of due date
- R4** Pays within 120 days of due date
- R5** Account at least 150 days past due date, not yet rated R9
- R6** This rating does not exist
- R7** Making regular payments through a special arrangement
- R8** Repossession or foreclosure
- R9** Bad debt, placed for collection

Ratings can be
combined with different
letter codes

CREDIT REPORT LETTER CODES

- C** Line of credit
- I** Installment
(e.g., car loan)
- M** Mortgage
- O** Open account
(e.g., accounts with utility companies)
- R** Revolving
(e.g., credit cards)

Need more help? Each of the major credit bureaus provides a detailed guide on reading their credit reports that can be accessed through their website.

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