

# Credit Building Guide for College Students

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Building good credit early sets you up for success with renting, getting low-interest loans, buying a car, and even landing some jobs. This guide will walk you through how credit works, how to start building it responsibly, and where to find free tools and secured credit card options.

## Credit Basics: What You Need to Know

- Your credit score is a number (300–850) that shows lenders how trustworthy you are with money.
- The higher your score, the more opportunities (and lower rates) you'll have.
- Your score is based on:
  - Payment history (35%)
  - Amounts owed (30%)
  - Length of credit history (15%)
  - Types of credit used (10%)
  - New credit/inquiries (10%)

## How to Start Building Credit in College

1. Apply for a secured credit card (see list below).
2. Use it for small purchases like gas or groceries.
3. Pay off your balance in full every month.
4. Set reminders so you never miss a payment.
5. Keep your balance low (under 30% of your credit limit).

## Secured Credit Cards for Students

- Discover it® Secured Credit Card – No annual fee, earns cash back, free FICO score.
- Capital One Platinum Secured Card – Low deposits starting at \$49, reports to all 3 bureaus.

- Chime Credit Builder Visa® – No interest, no credit check, connects to your Chime account.
- Bank of America® Customized Cash Rewards Secured – Cash back options, requires deposit.
- OpenSky® Secured Visa – No credit check required, reports monthly to all 3 bureaus.



### **Free Tools for Credit Monitoring & Learning**

- AnnualCreditReport.com – Get your free credit report from each bureau once a year.
- NerdWallet – Learn about credit, track spending, and compare cards.
- Credit Karma – Free credit score and report monitoring.
- Mint – Budgeting tool with alerts and goal setting.
- MyMoney.gov – U.S. government resource for financial literacy.



### **Credit Tips for Students**

- Never miss a payment – it's the most important factor.
- Don't max out your card – aim to use less than 30% of your limit.
- Avoid opening too many cards at once.
- Check your credit report yearly for errors or fraud.
- Don't co-sign loans unless you fully trust the borrower.

### **Final Thought**

You don't need a lot of money to build great credit; you just need good habits. Stay consistent, stay informed, and stay in control.