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# Getting your first Credit Card

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# Why get a credit card?

PARDA Federal Credit Union

It's not uncommon to hear about the dangers of falling into too much credit card debt. So why get one?



# Why get a credit card?

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The answer is to build credit. Credit is used for the following things:

- Applying for car loans
- Leasing apartments
- Applying for mortgages
- Building wealth
- Insurance rates
- Employment options
- Buyer protection

Your credit score, whether it's good or bad, will affect all of these and more.



A diverse group of seven young adults, including men and women of various ethnicities, are standing in a grassy field. They are all smiling and giving thumbs up. The background is a bright, sunny outdoor setting with green grass and a tree trunk visible on the right.

When should you get one?

It's recommended that you start building credit between the ages of 18-22. This way, you will already have a good credit score built up when you graduate college.

# Choosing a card

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Credit cards all offer different benefits. They offer things such as reward programs, initial sign-up bonuses, and more. What benefit you choose depends on what you think you'll get the most use out of. Avoid using the APR\* on the card as a determining factor. Interest rates are calculated after you've applied, and applying for many cards at once can damage your credit score.

\*APR= Annual Percentage Rate.



# Using your Credit Card

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- Only use what you can afford to use.
- Avoid enrolling in over-limit fees.
- Be on the watch for identity theft by checking your card transactions consistently.
- Keep your credit utilization ration in a healthy range- Just because you have a limit on how much the card can be used for, doesn't mean you always need to use the full amount.
- Pay off as much as you can, not just the minimum balance.

PRIORITIES

1.

2.

3.



# Control your spending

A top-down view of a wooden desk. On the left is a black computer keyboard with a mouse. In the center is a black computer mouse. To the right is a black leather wallet, a yellow and black pen, and several credit cards. One credit card is black with a globe logo and the text 'GLOBAL MONEY BANK'. Another card is orange and red with the text 'GLOBAL MONEY BANK'. A third card is partially visible with the text 'Your Personal Card'.

Your credit score may just be a number, but it's an important number, and you don't want to mess it up early on. Keep track of how much you make versus how much you spend, and if you find that you can't keep up with the credit card, stop using it until you can get things under control.