

# Overview: Wise Use of Credit



**CREDIT.ORG**

# A Comprehensive Introduction to Credit

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Our Wise Use of Credit course and workbook offer an introduction to credit; what credit is, what it costs, how to get it and how to manage it. This material includes:

- **Understanding the cost of credit**
  - Annual Percentage Rates (APRs)
  - Loan terms and conditions that affect the cost
  - Different fees you might have to pay
- **The “Three C’s” of credit**
  - Character
  - Capacity
  - Capital
- **Different types of credit cards**
  - Private Label cards vs. General Label
  - Types of card ownership
    - Individual account
    - Join accounts
    - Authorized users
  - Different ways to apply for credit
- **Comparing card rates**
  - Including fees, terms and rate types
- **Shopping for a credit card**
  - Questions to ask about any potential credit account
  - Requirements of the Truth in Lending Act
- **Starting with a secured credit card**
  - What a secured card is, and where to get one
  - What a secured card costs
  - Avoiding scams and expensive alternatives
  - How secured cards impact your credit report

# Wise Use of Credit (cont'd)

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- **Knowing how much debt you can handle**
  - The debt you can carry based on your income and situation
  - Monthly debt worksheet
- **Tips for reducing credit card debt**
- **Avoiding Late Fees**
- **How to transfer a balance to a new card**
- **The high cost of ignoring your bills**
  - Collectors and creditors calling
  - Lingered bad debt
  - What actions to take
- **Know your credit rights**
  - Truth in Lending Act
  - Equal Credit Opportunity Act
  - Fair Credit Reporting Act
  - Fair and Accurate Credit Transactions Act
  - Fair Credit Billing Act
  - Fair Debt Collection Practices Act
  - Identity Theft Assumption and Deterrence Act
  - The Credit CARD Act of 2009
- **Credit report terms**
- **Where to get your credit report**
- **Ways to get a free credit report**
- **Your FICO score**
  - Why you have 3 different scores
  - What factors affect your score
- **Keeping your credit cards safe**



# Wise Use of Credit

**Credit.org**

1825 Chicago Avenue  
Suite 240  
Riverside, CA 92507

PO Box 5438  
Riverside, CA 92517-5438

**1-800-WISE-PLAN (800.947.3752)**

**[www.credit.org](http://www.credit.org)**

