

## Best Ways To Build Credit With A Credit Card

Your credit score plays a major role in your financial portfolio, making it worth the effort to build and maintain. Good credit can help unlock low interest rates on large purchases and loans. It can also help you when applying for new utility, mobile, or internet services. Even if you don't think you'll need to use your credit score soon, a credit card can help establish credit over time to ensure you'll be ready for your next financial milestone.

*Jonathan Fernandez,  
Assistant Vice  
President, Branch  
Manager*

Here are three tips on the best ways to build credit with a credit card:

### Apply for a starter credit card

Make sure you research and compare any starter credit cards you consider. Some providers offer perks like cash back on purchases or rewards programs, depending on your spending habits. Once you've identified the most suitable starter credit card for your situation, you'll likely be able to apply online. Just be sure to read through the card's requirements to avoid any unexpected fees.

### Use less than 30 percent of your credit limit

While you'll want to make purchases with your credit card to begin establishing credit, it's important to be conscientious about how much you spend. Maxing out or racking up a significant balance can have an adverse effect on your credit score. This is because creditors consider the amount you owe when calculating your credit score and a high balance can indicate that you're financially overextended. The trick is keeping your credit card balance under 30 percent of the available amount listed on your monthly statement, which will help your credit gradually increase.

### Set up automatic monthly bill payments

Making credit card bill payments on time is a critical part of building and preserving a healthy credit score. Consider setting up automatic payments online or a monthly calendar reminder to stay accountable when you get busy. This will help avoid overdue payments, which can negatively impact your score and might take months to recover.

To obtain a good credit score, it's important to use your credit card responsibly. By using your credit card strategically and paying off the balance on time, you'll be able to establish and strengthen your credit worthiness. Following these steps can help ensure that your credit score will be ready when you need it. For more tips on the best ways to build credit with a credit card, call a PlainsCapital Bank representative at 866.303.0398.