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How to Build Credit

Building personal credit is essential for financial independence and many opportunities in life. It begins with understanding that credit is a record of your borrowing and repayment habits maintained by credit bureaus. To start, open a secured credit card if you have no credit history. Make small purchases on the card and always pay off the balance in full each month. This establishes a valid pattern of repayment and demonstrates your ability to responsibly manage money.

Additionally, consider taking out a small loan such as a personal loan or a credit-builder loan to expand your credit file. Always make payments on time, as your payment history seriously influences your credit score. It is equally important to keep your credit use balance low; ideally, use only a small portion of your available credit—typically under thirty percent. Monitor your credit reports annually to correct any inaccuracies and protect against fraud.

Building personal credit takes persistence and responsibility. Budgeting for regular bill payments and avoiding excessive applications for new credit can prevent damaging your score. Over time, these good financial habits will lead to a higher credit score offering better interest rates and more beneficial lending terms. Remember that building strong personal credit is a marathon not a sprint, and there are no shortcuts. Steady and responsible actions today lay the foundation for a stronger financial future.

By following these guidelines and committing to smart financial management habits, you create a strong credit history that opens doors to better opportunities and long term credit strength.