

WTNS Radio OSU Extension Update for January 3, 2022

Healthy People. Healthy Finances. Healthy Relationships.

On today's OSU Extension update for Healthy People, Healthy Finances, & Healthy Relationships we'll talk about building or rebuilding credit, and as always look at some upcoming programs from OSU Extension.

The list of suggested New Year's resolutions I've seen for 2022 can be quite amusing. Like

- Keep gum or mints in my purse and be the friend that always has them to offer after meals.
- Or perfect my charcuterie board skills.
- And even stay in the bathroom while I brush my teeth.

As practical as these might be, the most common resolutions relate to weight, health, money, improving organization, developing relationships, and improving skills. In fact, according to several popular sources nearly half of resolutions are to save money.

Money can be a scary and depressing topic for many, especially when circumstances or decisions in the past leave you in a tough situation now. When you have little to no credit history, or damaged credit, it can be challenging to get started. If building or rebuilding credit is a resolution for you in 2022, here are four things to consider:

1. Get a secured credit card. These cards are different from unsecured credit cards, which are the type of credit cards we normally think of. To begin you make an upfront deposit, often times in excess of \$200 but sometimes less. This becomes the security for the financial institution, and it typically equals the credit limit. It may sound like a debit card, but it is an actual credit card. You receive a statement each month that must be paid with money that is different from the initial deposit. The payments are reported to the credit bureaus. Some secured cards will eventually transfer to an unsecured credit card as you establish excellent payment history.
2. Get a credit-builder loan. This is a cool concept. Instead of borrowing money, you pay the lender in monthly installments, and this is reported to the credit bureaus. It is almost like saving a set amount each month to a savings account. The biggest difference is interest payment to the lender and a possible initial fee. There are several types of credit-builder loans out there online like Self and Chime. However, this type of loan is also available through local banks and credit unions.

3. Become an authorized user on a credit card. This strategy and the next involve more than one person. And mixing money and relationships can make things more complicated. Some parents do this with their young adult or older adolescent children. The benefits include a way to mentor and model good spending and payment habits while building a young person's credit score. However, a lot can go wrong in these situations as the entire credit limit is usually available. Firm ground rules must be established, and frequent communication is a must.

4. Co-signing on a loan. I saved this one for last, because it has the most potential for a negative outcome. Here are some stats from a CreditCards.com survey of more than 2,000 US adults. 38 percent of co-signers had to pay some or all the loan or credit card bill because the primary borrower did not. 26 percent of respondents said the co-signing experience damaged the relationship with the person they co-signed for.

Most folks probably think a good credit score only matters when they are ready to apply for a loan for a large purchase like a vehicle or a house. However, credit scores can be referenced for all sorts of things including insurance, renting, and even for some jobs. With a little strategy and discipline, you can begin to build or rebuild credit.

And now let's take a look at some upcoming programs from OSU Extension. I will be teaching a ServSafe® Person-in-Charge food safety certification training on Thursday, February 3 from 9:00 a.m. to 3:00 p.m. at the Coshocton County Services Building. The program includes a National Restaurant Association Education Foundation handbook, several hands-on activities, and an Ohio Department of Health Person-in-Charge Certificate. Pre-registration is required by January 28. Please contact me at 740-622-2265 or by email at marrison.12@osu.edu.

You can find details about future programs related to financial wellness, food preservation, diabetes, and more at our website coshocton.osu.edu.

In closing, at OSU Extension, we are proud to work for Coshocton County to help educate and improve our families, farms, and businesses. Please feel free to contact OSU Extension for more information at 740-622-2265 or visit our website at coshocton.osu.edu. Make it a healthy day!