

FINANCIAL FRIDAYS

Introduction To Credit



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1.

What is credit?

Credit is the ability to obtain goods or services before payment, based on the trust that payment will be made in the future



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2.

The players:

Borrower – the person using someone else's money

Lender – the person allowing someone else to use their money

Principal – the amount borrowed

Interest – the lender's charge for the risk of lending their money (typically a percentage)



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3.

The 5 Cs of Credit

- 1) Character
- 2) Capital
- 3) Capacity
- 4) Collateral
- 5) Credit History



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4.

Credit History

Credit History is your financial reputation. A picture of how well you manage your money (i.e. paying bills on time, low balances on existing credit products, zero items at collections and/or derogatory accounts closing)



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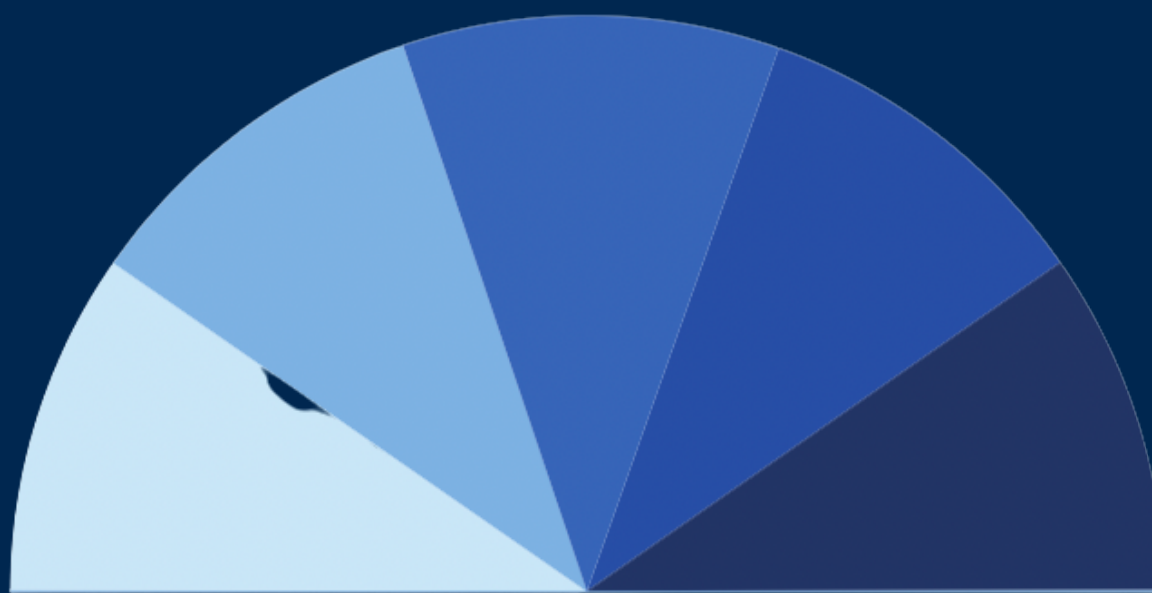
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5.

Credit Score

Credit Score is a number assigned to you that shows your ability to borrow money and repay it.



The higher your score the better!



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6.

Why is Credit Important?

A good credit score helps you qualify for loans and secure lower interest rates. Think of your credit score like your financial signature to the world, the higher your score is the better financial opportunities you will receive.



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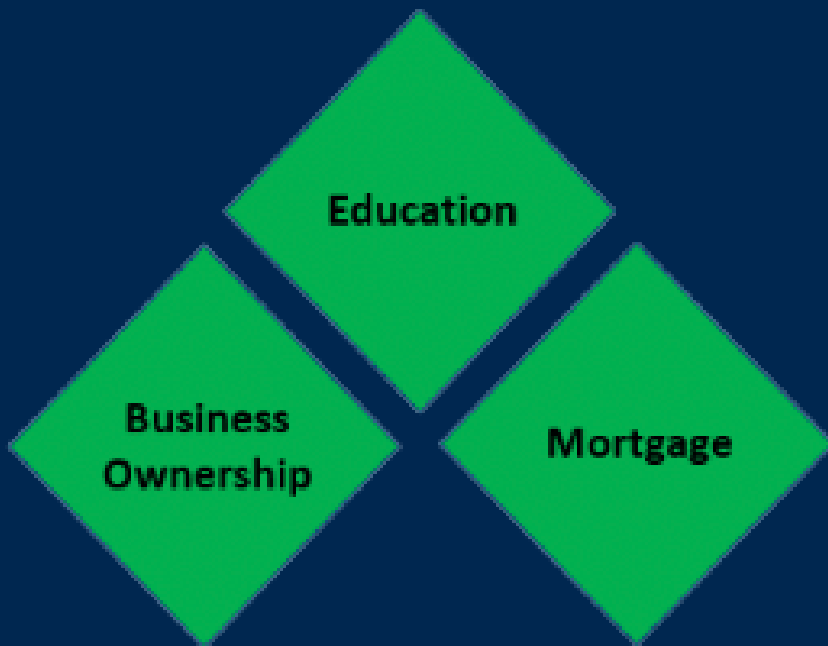
7.

Good vs. Bad

Good Debt

VS

Bad Debt



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8.

Good credit takes time

- Pay your bills on time
- Reduce your debt
- Use your credit card responsibly
- Start early and be patient



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Join us on Instagram Live



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Tuesday, October 26th | 11am

Enter to win at nusu.com/rbc

*You must join the Instagram Live in order to win



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