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## Women Need Credit History

In the old days, the man generally worked, and the woman stayed home and took care of the kids. If a credit card was obtained, it was often in the man's name.

Sometimes, the man would have issued a credit card with the woman's name on it, but it was still his account and his personal credit history.

The woman may have had no chance to build up her credit history, and she was usually denied a credit card of her own, in her own name.

Times have changed, and I feel that women generally need to have their own credit history in their own name.

Imagine a woman being recently widowed or divorced and trying to cope with financial obligations without a personal credit history? If you were issued a credit card on your husband's account, it may become invalid upon his death.

If you need to get a job, many potential employers check job candidates' credit history looking for problems. Also, if you buy certain types of insurance, a low or no-credit score could mean a higher premium.

If you do have a credit score and you try to get a new credit card in your name alone, your credit score will affect several things. They include your chances of getting another card, the amount of credit you are offered, and the rate of interest you pay on the balance.

Some years ago, a client of mine who had never worked had over one million dollars in her own Raymond James account. However, all her credit cards were in her husband's name. After he died, all her credit cards were canceled because they were issued in her husband's name.

She applied for a dozen credit cards, but was turned down. With her permission, we sent copies of her account to various credit card issuers to prove she had the assets to cover a reasonable credit balance. It just didn't matter how much she was worth. She had no credit history.

After much work, she finally got a gasoline credit card with a \$1,000 balance. Big deal. But it was a start for her to build her own credit file, at about age 70, with the three major credit bureaus.

My suggestion to her was to buy gas only at that gas station, and use her new credit card. When the monthly bills arrived, pay the first three monthly payments in full to show she pays her bills on time and is a good risk.

On the fourth through sixth month, pay only half the balance, or at least the minimum, each month. She was now establishing and using credit. On the seventh through ninth month, pay off the balance in full. In month ten, start to apply for other credit cards.

She was now establishing credit and using it properly, and other companies soon granted her credit cards. I also suggest a process like this for young adults.

Today, maybe five to seven credit cards are enough. Get the usual well-known cards. If you like a particular store, for instance a clothing store, get their card. But don't overdo it. Only so much credit is allowed each person under FICO® Scores.

FICO® Scores were first introduced to lenders in 1989. FICO® Scores have become one of the standards for measuring credit risk in the banking, mortgage, credit card, auto and retail industries, and elsewhere.

FICO® Scores used to be called Fair Isaac Corporation. It is one of the largest of several companies that provide software for calculating a person's credit score by the credit bureaus.

You have three FICO® Scores, one for each of the three credit bureaus - Experian, TransUnion, and Equifax. Each score is based on information the credit bureaus keep on file about you.

FICO® Scores have a 300–850 score range. The higher your score, the better for you. Review websites to learn more, because it can be a complicated subject.

The credit bureaus calculate a maximum amount of credit they feel you can handle. Suppose your maximum is \$10,000. Getting one credit card with a line of \$9,000 doesn't leave much credit room for another card.

If you decide you no longer want a particular credit card, pay it off in full or transfer the balance to another credit card. Call the first card and tell them you want to cancel your credit card and, more importantly, *tell them to remove any line of credit tied to your name.*

The \$9,000 line of credit from your first card must be removed so it can free up the \$9,000 for other cards.

Meanwhile, put a few household bills in your name. This indicates you regularly pay on time and this helps build a good credit history.

Actually, it's just not women who need to establish their own credit history. It's men, too.

Remember, bad credit is easy to get, but it's hard to maintain good credit. Be sure to monitor your credit reports, for free, once a year.

With careful planning and steady payments, you can establish and maintain a strong credit score that's all yours. Please share this information with your daughters and sons. Call me if you have any questions.

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