

Some Commonly Asked Credit Questions

What is the ideal number of credit cards to carry?

Generally, most people will be just fine with two major credit cards. One would likely be a low-rate card for times when you must carry a balance, and the other should be a card with a grace period. No annual fee is ideal, unless you plan to use the card heavily to earn some type of reward. If that's the case, weigh the cost of the annual fee against the rewards you will earn.

If you are asking about the ideal number of credit cards to obtain a strong credit history, then, two is a good number. Though, you can have many more and still maintain a strong credit history.

Will checking my credit report hurt my credit history / score?

No. When you check your own credit report through a credit bureau, CRC Credit Bureau, you create what is called a "self inquiry." These inquiries are listed when you review your own credit report. Although, creditors would see that an inquiry has been made, however, they would not see the details or why the inquiry has been made. Therefore, it does not affect your credit history and credit score. You can pull a copy of your credit report at www.crccreditbureau.com.

It's a great idea to review your credit report on a regular basis.

My child has a lot of debt. What is the best way to help?

The best way to help your child is to give him or her some financial literacy materials to learn about how to manage debt.

However, if the child is asking you for a consolidation loan to help pay off the debt then you can consider the following.

If you think your child has trouble handling money, it is likely you will just be enabling him or her to go a bit longer without having to shape up. Even if your child is truly in deep straits, your loan is unlikely to solve the problem. He or she needs crisis intervention, not a loan.

If you simply can't say no, then do one of two things:

1. Give a gift rather than a loan. You'll never have to worry about whether you will get paid back and there will be no hard feelings if you aren't.
2. Agree to lend the money only if your child will agree to sign an official loan agreement. It would also be a good idea to have them set up automatic transfer of the payments to your checking or savings account from your child's. There will be no wondering about whether a check has been mailed.