


To Do List Step 5

Active Client Tab

Become An Authorized User

If You have a family member or a close friend who has good credit Ask them to add you to on their credit cards as A Authorized User  This can help improve your scores **WITHOUT AFFECTING THEM AT ALL.**

When you are added to a credit card it's going to show up on your credit report as an **authorized user** (this lets the banks know that you have **ACCESS** To that Card.)

Example: If someone has a \$10,000 Chase credit card and they had it for 10 years, the utilization is reporting below 10%, and they are always on top of their bill this does multiple things for you.

- 1) It gives you 10 years worth of **PAYMENT HISTORY** which is 35% of your credit score
- 2.) That \$10,000 limit gets added to your Debt To Income Ratio. And your utilization is 30% Of Your Credit Score
- 3) That credit card would be considered a revolving account. Credit mix is 10% of your credit score
- 4) It also would be 10 years worth of Credit Age History which is 15% of your credit score.

So this is why people scores go up whenever they purchase tradelines.

If someone is skeptical about adding you as an authorized user please explain this to them.

YOU DO NOT NEED THE CARD! *They can have it sent to them and they can then cut it up. You just need it to piggy back off the history.*

Whenever someone adds you as an authorized user it could affect you, but **NEVER THEM.** Reason being is because when they add you on that account, Usually it means that you have access to **THAT ACCOUNT.** Which means whatever happens with that account **YOU'RE JUST AS RESPONSIBLE.** Now of course that won't be the case if they sent the card to them and cut it up, but that's still how banks & lenders will look at it.

On the flip side you can be late on every credit card you have and it would not affect them at all. They can be late for every other credit card they have as well without affecting you negatively. The only thing that matters are the specific accounts that you are listed as a **AUTHORIZED USER**.

Good Authorized User Vs Bad: Things To Look For 🧐🔍

- Payment History - 35% Of Your Credit Score This Account Has No Late Payments
 - Credit History - 15% Of Your Credit Score This Account Was Opened In 2015 So That's 11 Years Worth Of Credit History (Bank's Like To See 5+ Years)
 - Credit Limit - Although We Would Prefer Something Over A 5K Limit. \$2,500 Is Not Bad Especially If You Don't Already Have Your Own Account With That Limit. Keep In Mind it Has The History To Back It.
 - Credit Card Utilization - 10% Of Your Credit Score.
 - This Credit Limit Is \$2,500 Which Means 10% Is \$250. And 30% = \$750.
 - The Balance Is Only \$247 Which Means It's Under 10%. THAT'S WONDERFUL.
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CAPITAL ONE

	TransUnion	Experian	Equifax
Account #:	51780596****		51780596****
Account Type:	Revolving		Revolving
Account Type - Detail:	Credit Card		Credit Card
Bureau Code:	Authorized User		Authorized User
Account Status:	Open		Open
Monthly Payment:	\$25.00		\$25.00
Date Opened:	02/23/2015		02/01/2015
Balance:	\$247.00		\$247.00
No. of Months (terms):	0		0
High Credit:	\$2,307.00		\$0.00
Credit Limit:	\$2,500.00		\$2,500.00
Past Due:	\$0.00		\$0.00
Payment Status:	Current		Current
Last Reported:	02/03/2024		02/01/2024
Comments:	Dispute resolved; reported by grantor		Credit card Amount in H/C column is credit limit
Date Last Active:	02/03/2024		02/01/2024
Date of Last Payment:	11/06/2023		02/01/2024

Two-Year payment history

Legend

Month	J	D	N	O	S	A	J	J	M	A	M	F	J	D	N	O	S	A	J	J	M	A	M	F
Year	24	23	23	23	23	23	23	23	23	23	23	23	23	22	22	22	22	22	22	22	22	22	22	22
TransUnion	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O
Experian	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K
Equifax	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O	O
	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K	K

This AU IS GOOD TO GO 👍

- Payment History - This Accounts Has Multiple Late Payments (RED FLAG 🚩)
- Credit History - Only 3 Years Old. The Banks Like To See 5+ Years. 3 Is Only Acceptable If Everything Else Checks Off or if it is better than your actual credit age itself.
- Credit Limit - \$550. The Banks Like To See A Minimum 5K Limit
- Credit Card Utilization: This Credit Limit Is \$550 Which Means 10% Is \$55. And 30% = \$165.
- With a balance of \$711 which is higher than the actual credit limit. **This Card Is Clearly Maxed Out**



This AU Is A NO GO. If you're listed on a card like this you need to ask the primary owner to remove you immediately or call the creditor for help.