# How to Build Credit From Scratch: Step-by-Step Guide

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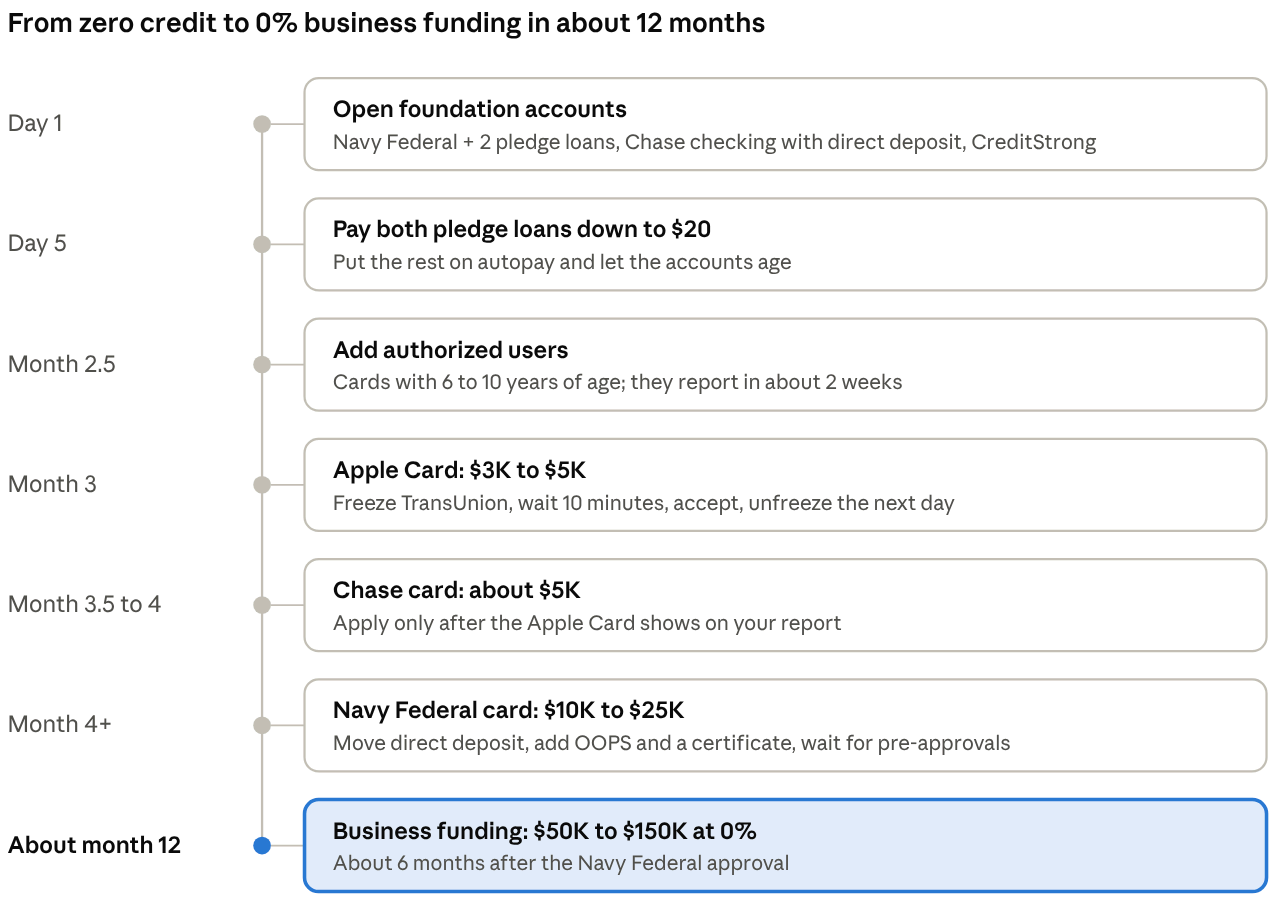
## What this gets you

Follow these steps in order and you can go from zero credit history to two $5,000 cards in about 4 months, then a $10,000 to $25,000 Navy Federal card after that.

That's exactly what we did for an 18-year-old client with nothing on his report: no cards, no authorized users, no history. He got $5,000 on an Apple Card and $5,000 on a Chase Freedom Unlimited on his first two applications.

Within about 12 months, a profile built this way can qualify for $50,000 to $150,000 in 0% interest business funding.

**The rule:** don't skip steps and don't change the order. Each step sets up the next one.




credit-building roadmap · 7 milestones

Each milestone depends on the one before it, so the timing is part of the strategy.

## Phase 1 (Day 1): Open your foundation accounts

Do all four of these at the same time. You don't need to finish one before starting the next.

### Step 1: Join Navy Federal Credit Union

You don't need to be in the military. If a family member is a Navy Federal member, you're eligible as their immediate family (parents, grandparents, spouse, siblings, children, grandchildren). If you live with a member, you're eligible as a household member.

1. Get the member's access number from them.
2. Apply online and open a **Flagship Checking** account.
3. Use your real address. Only list a member's address as yours if you actually live there.

### Step 2: Open two pledge loans at Navy Federal

A pledge loan (Navy Federal calls it a **Share Secured Loan** or savings secured loan) is a loan backed by your own savings. It's how you create your first high-limit account with perfect payment history.

1. Deposit at least $2,000 into Navy Federal savings. More is better: $5,000, $10,000 or $20,000 builds a stronger profile.
2. Take a share secured loan against that savings.
3. Choose a **60-month term**. A long term keeps the account open, so it doesn't close early and drag down your average age.
4. After 5 days, pay off everything except **$20**.
5. Put the remaining $20 on **autopay**.
6. Repeat the whole process for a **second** pledge loan.

Now you have two loans that are 98 to 99% paid off with on-time history, and most of your money is back in your hands.

### Step 3: Open a Chase checking account and set up direct deposit

With no credit cards, the only data a bank can judge you on is your checking account. Chase will watch how much comes in, how often, and how you spend.

1. Open a Chase checking account.
2. Set up **direct deposit** from your job. Banks love it because your paycheck lands with them automatically.
3. No W-2 job? Deposit **1 to 2 times a week** and run all your money through this account.

### Step 4: Open a CreditStrong account

CreditStrong adds an installment account to your credit mix with good payment history.

1. Sign up for the **CS Max** plan (about $28 a month).
2. Keep it for about 3 to 4 months, roughly $120 total.
3. Skip other credit-builder apps. This one is all you need here.

## Phase 2 (Month 2.5): Add authorized users

At the 2.5-month mark, get added as an authorized user (AU) on older cards. This raises your average age of credit, since all your own accounts are only a few months old.

### Step 5: Let the pledge loans age

Leave the pledge loans and CreditStrong alone so they reach at least 3 months old. Autopay handles the small monthly payment.

### Step 6: Get added as an authorized user

Look for cards with:

- **6 to 10 years** of age
- **$6,000 to $10,000** in limits, if possible

How many you need depends on age:

- One card with 8 to 10 years is usually enough.
- If the cards are only 2 to 3 years old, get two.

**Where to get them:**

- **Free:** ask friends or family with older, well-managed cards to add you.
- **Paid tradelines:** about $300 to $500 each. They take about 2 weeks to report and stay on for about 2 months, which covers your application window.

**Why 2.5 months:** AUs take about 2 weeks to show up. Adding them at 2.5 months means they appear right at month 3, when your pledge loans and CreditStrong hit 3 months and your average age is over 1 year.

## Phase 3 (Month 3): Apply for the Apple Card

Your first card is the Apple Card because it shows you a pre-approval and limit before you commit.

By now you should have: two pledge loans of at least $2,000 each, a CreditStrong account, 3 months of Chase deposits, and your AUs reporting.

### Step 7: Apply for the Apple Card

1. Start the application in the Wallet app on your iPhone.
2. You'll see a pre-approval offer with your limit. **Don't accept yet.**
3. Freeze your **TransUnion** (TU) report.
4. Wait **10 minutes**.
5. Accept the offer.

6. The next day, **unfreeze TransUnion** so you don't leave a bureau frozen.

Expect an approval of about $3,000 to $5,000. Our 18-year-old client got $5,000. Results vary by profile.

### Step 8: Wait for the Apple Card to report

Don't apply for anything else yet. The Apple Card takes **2 to 4 weeks** to show up on your credit report.

That wait matters. When Chase pulls your report, it needs to see a $5,000 card as a comparable.

## Phase 4 (Month 3.5 to 4): Apply for a Chase card

Once the Apple Card is on your report, apply with Chase, the bank that's been watching your deposits for 3+ months.

### Step 9: Pick your Chase card and apply

| Card | Annual fee | Best for |
|---|---|---|
| Chase Freedom Unlimited | $0 | Intro 0% APR period; usable to start a business (watch your utilization) |
| Chase Sapphire Preferred | $95 | Travel points and a sign-up bonus (check the current offer) |

Either one works. Our client chose the Freedom Unlimited and got a **$5,000** approval.

Result: **$10,000 in total limits** from zero history.

## Phase 5 (Month 4+): Land the $10,000 to $25,000 Navy Federal card

Navy Federal gives high limits to members with a deep relationship, even when your other cards are small. You build that relationship by using more of their products.

### Step 10: Stack Navy Federal products

1. **Move your direct deposit** from Chase to Navy Federal. Your Chase approval is done.
2. **Add Optional Overdraft Protection Service (OOPS).** It requires 90 days of membership, which you'll have by now.
3. **Open an Easy Start Certificate**, Navy Federal's 12-month CD. Your money is locked for the term but earns more interest than checking or savings.

Now you have: Flagship Checking, savings, two pledge loans, direct deposit, OOPS and a certificate.

### Step 11: Watch for pre-approvals, then apply

Pre-approval emails or mail offers from Navy Federal mean they want you as a cardholder. That's when the big limits come.

Apply once the offers start showing up. Another client of ours went through these exact steps and got an **$18,000** Navy Federal card when her only other card was $2,000.

## Phase 6: Business funding

About 6 months after the Navy Federal approval, your profile is ready for business funding. Start today and you can be in position for **$50,000 to $150,000 in 0% interest business funding within about 12 months**.

That's the launch pad to start or scale a business without using your own cash.

## Checklist

- [ ] Join Navy Federal and open Flagship Checking
- [ ] Open pledge loan #1 (60-month term, $2,000+)
- [ ] Open pledge loan #2 (60-month term, $2,000+)
- [ ] Pay both down to $20 after 5 days and set autopay
- [ ] Open Chase checking and set up direct deposit
- [ ] Open CreditStrong CS Max
- [ ] Month 2.5: get added as an authorized user
- [ ] Month 3: Apple Card (freeze TU, wait 10 min, accept, unfreeze next day)
- [ ] Wait 2 to 4 weeks for the Apple Card to report

- [ ] Apply for Chase Freedom Unlimited or Sapphire Preferred
- [ ] Move direct deposit to Navy Federal
- [ ] Add OOPS and open an Easy Start Certificate
- [ ] Apply for the Navy Federal card once pre-approvals arrive

## Mistakes to avoid

- **Short loan terms.** Pick 60 months so the pledge loans don't close early and hurt your average age.
- **Paying the pledge loans to $0.** Leave $20 so the accounts stay open and reporting.
- **Applying for Chase before the Apple Card reports.** Chase needs to see it as a comparable.
- **Leaving TransUnion frozen.** Unfreeze it the day after your Apple Card approval.
- **Skipping the Chase deposits.** With no cards, your deposit history is the only data the bank has on you.