

Possible Solutions

Positive credit is necessary and each of these statements can be explained as establishing credit or not:

- a. This does establish positive credit history and keeps your credit current.
- b. This is very important for homeowners! You must pay for your mortgage.
- c. Paying off a loan before the final due date is always preferred. In the long run, you pay less interest than if you take the entire loan period.
- d. Paying for items with cash is a great thing...unless you want to establish credit. As beneficial as it may be to pay when you have the money, this will only take you so far. In order to buy larger items such as vehicles or a house, you will need positive credit history.