

Media Contact

Bill Grassano
(bill.grassano@icba.org)
202-821-4457

Media Contact

Karen Tyson
(karen.tyson@icba.org)
202-821-4454



ICBA Encourages Students to Establish Responsible Credit Habits

Washington, D.C. (August 22, 2006)—As the nation's students head back to school and with most of today's college students using credit cards, the Independent Community Bankers of America (ICBA) encourages the responsible use of credit cards as one way to help establish good credit.

"Understanding how to use consumer credit wisely gives young adults the foundation to establish good credit that will serve them well when they are ready to buy a home, a car or pursue their dreams of owning a small business," said Terry Jorde, ICBA chairman and president and CEO of CountryBank USA, Cando, N.D. "Establishing good credit habits is essential in understanding how to manage personal and business finances."

College students use credit cards for everything from books and food to tuition and supplies. Recent research* shows that 74 percent of college students said they use credit cards for school supplies, 71 percent use credit cards for textbooks and for food, and 24 percent use credit cards for tuition. Credit cards are a convenience and must be used properly. A good credit card track record starts with a good credit card. Make sure you shop around for rates and terms that are favorable, and don't forget to check with your local community bank. The following tips can help students use credit cards wisely so they can establish good credit:

- Set up and follow a budget that includes paying off a credit card balance. "Maxing out" or charging up to your card's credit limit can make sticking to your budget more difficult.
- Cash advances — unlike purchases — generally have finance and interest charges that apply immediately.
- Pay on time, every time.
- If you move, notify your card issuer immediately. Consider paying online to ensure your payment is received by the monthly due date.
- Keep records of your account number, expiration date, and phone number of your card issuer in a safe place.
- Routinely access your account information online to track your spending and to quickly identify any fraudulent transactions. If you see a transaction that is not yours, notify your bank immediately.
- When making online transactions, be sure the site is secure. Don't let others see you enter card information.
- Don't lend your credit card to anyone, not even a friend. Ever.
- Keep your account information confidential. Never give out your credit card number or expiration date over the phone, unless you have initiated the call and know who you're dealing with.
- Keep a copy of your sales receipts so that you can compare your charges with the charges on your bill.
- If there's an error, report it immediately by notifying your card issuer.
- Open your monthly statement promptly and carefully read notices or messages from your card issuer.

- If there's an error on your account, report it immediately by notifying your card issuer. Look for complete instructions on your monthly statement and follow them carefully to protect your rights.

For additional resources go to the Consumer Education and Resources section of www.icba.org.

** Research conducted by college loan lender Nellie Mae.*