IS YOUR CREDIT UNDER CONTROL?

Credit is one of the most important financial tools you have. Used wisely, credit can be a great benefit, but mismanaged, credit can cause financial hardship and severe stress. To assess your skill in managing credit and debt, take the following quiz.

1. Are you borrowing money or using credit to pay for items that you formerly purchased with cash?  □  □
2. Is more than 20 percent of your net income going to pay debts (excluding home mortgage payment)? □  □
3. Are you paying bills with money intended for something else? □  □
4. Are you dipping into your savings to pay current bills? □  □
5. If you or your significant other became unemployed, do you have three months take-home pay in a savings account? □  □
6. Can you usually only make the minimum payment on your credit cards? □  □
7. Are you extending repayment schedules? (i.e. paying bills in 60 or 90 days that you once paid in 30 days?) □  □
8. Are you near, at or over the limit of your credit cards? □  □
9. Do you take out a new loan before the old one is paid off or take out a new one to pay off an existing one? □  □
10. Are you unsure of how much you owe (within $50)? □  □
11. Do you habitually pay your bills late? □  □
12. Do you charge more each month than you make in payments? □  □
13. Do you use a case advance on one credit card to make payments on other credit cards? □  □
14. Has a collection agency called recently about an overdue bill? □  □
15. Are you threatened with repossession of your car, cancellation of your credit cards or other legal actions? □  □

Scoring:
If you answered “No” to all questions, you know how to manage your credit well.

If you answered “yes” to any of the questions 1 through 10, you should cut back on credit use and be alert for other signs of overspending. Visit the UT Tyler SMM website to get help in drawing up a realistic budget. www.uttler.edu/studentaffairs/smm

If you answer “yes” to any of the questions 11 through 15, you may be in serious trouble. Act now to take control of your finances by going to the SMM website for some tips on how to become responsible with your money situation. www.uttler.edu/studentaffairs/smm

Source: Money Management International’s Understanding Money and Credit Reference Guide

Adapted from the UNT Student Money Management Center Website, http://moneymanagement.unt.edu