



## FINANCE AND ADMINISTRATION CABINET

**Steven L. Beshear**  
Governor

**NEWS FROM**  
**KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY**  
P.O. Box 798, Frankfort, KY 40206-0798  
[www.kheaa.com](http://www.kheaa.com)

**Jonathan Miller**  
Secretary

**Edward J. Cunningham**  
Executive Director

Contact: Lori Powers  
Phone: 502-696-7378  
E-mail: [lpowers@kheaa.com](mailto:lpowers@kheaa.com)

**May 2010**

### **Money Tips for College Students: How to Make It, Use It and Save It**

#### **Learn to be credit smart**

Once you start paying bills, you start building a credit score. If you have a history of paying bills late, it will be reported to credit rating agencies and affect the interest rate you pay on credit cards, car loans, apartment deposits and even your insurance. When you get a bill, pay it on time — every month.

A credit score is based on your payment history. Credit scores are used by lenders to help determine if applicants qualify for a credit card, loan, insurance or service. Most credit scores estimate the risk a company incurs by lending money or providing a person with a service — specifically, the likelihood that the person will make payments on time in the next two to three years. Generally, the higher your credit score, the less risk you represent.

Some people think you need a credit card to build a credit score. But if you open your utility accounts in your name instead of your parent's name, you can work toward building a credit score in six months.

A late or missed payment stays on your credit report for seven years, even if the creditor has been paid in full. It is better to start off on the right foot by establishing checking and savings accounts, using your credit cards sparingly and paying all of your bills on time.

To learn how to plan and prepare for higher education, go to [www.gotocollege.ky.gov](http://www.gotocollege.ky.gov). For more information about Kentucky scholarships and grants, visit [www.kheaa.com](http://www.kheaa.com); write KHEAA, P.O. Box 798, Frankfort, KY 40602-0798; or call (800) 928-8926, ext. 6-7372.

**-30-**