



FINANCIAL PLANNING

How to use credit wisely

Once you establish a credit record, building and maintaining it is equally as important. Use these simple tips to ensure your credit history is a good one.

Pay your bills on time.

All the time. Even if you're having a difficult month, be sure to make at least the minimum payment on loans and credit cards. Don't forget to pay utility bills, rent, and other monthly obligations.

Keep your credit card balances low.

Use your credit cards only when you really need them and try to pay off the entire balance owed each time you receive a statement.

Don't shuffle debt.

While transferring balances from credit card to credit card might seem attractive, the fact that you're not paying debt down or off on a regular basis raises questions as to your ability to repay credit accounts and has a negative affect on your credit score.

Apply for credit only when you need it.

Just because there's an attractive offer in your mailbox or at your local retailer, chances are you'll find you don't really need the account. Plus, having too much credit available can prove overwhelming.

If you fall behind, get back on track right away.

Contact creditors immediately if you're having trouble making scheduled payments. Inquire about alternate payment options. If you're having difficulty with several accounts, consider contacting a reputable credit counseling firm.

Live within your means.

Never spend more money than you bring home. Don't use credit cards or lines of credit to finance daily needs like gas or groceries if you can't pay off the amount owed every month. Draft a monthly budget and stick to it.

By understanding the factors that make up your credit history and managing your accounts and credit obligations in a disciplined manner, you'll be well on your way to establishing a strong and positive financial reputation.

Question: Name one RBC product that enables you to “Pay Your Utility Bills at Home”.

Answer: Royal Online Internet Service. This service enables you to pay your APUA bills from the comfort of your homes. You may also make payments to your Visa or MasterCard credit cards and view your account balances including loan balances.

Question: Will RBC refinance my loans to reduce monthly payments?

Answer: Yes. RBC offers the right solutions to realize your dreams and have flexible features to suit your financial needs.

[How to establish credit](#)

Follow these simple steps to help build a positive credit history. Doing so can help you generate a strong rating — the number-based score used by many banks and other lenders to more objectively rank your ability to successfully repay a loan or line of credit.

Open a savings account.

Make regular deposits to the account and limit the amount of money you must take out. Try to maintain the minimum balance necessary to avoid monthly fees.

Open a checking account.

Make regular deposits to the account, track every check or withdrawal you make, and balance your checkbook each month. Be sure to avoid overdrawing or spending more money than you have in your account.

Pay all your bills on time.

Even though regular bills are not actual loans, make sure to pay your rent, utilities, and membership dues on time.

Apply for a gasoline or department store credit card.

Often times, these types of cards have less stringent application requirements than banks and offer lower, more manageable credit limits. Once you receive a card like this, make sure you spend only within your means and pay back the amount owed each month.

Apply for a secured loan or bank credit card.

If you have a savings account with a bank or other assets that you can use to secure – or guarantee payment for a loan, you may be able to more easily obtain credit approval from a bank. A well maintained deposit relationship may also make it easier for you to get a standard credit card from your bank. As with any loan, be sure you make payments on time.

Question: What forms of identification are required to open an account at RBC?

Answer: Passport, Driver's Licence, Voters ID Card, Social Security Cards(with picture)

Question: What types of Credit Cards are offered by RBC?

What makes you creditworthy?

When banks and other creditors evaluate an individual on their ability to receive and repay a car loan, a credit card, or a home mortgage, they look to four primary factors – and most often make their decision to approve or decline a credit request based on them.

Assets

Individuals who can show they have a savings or checking account with reasonable balances or other assets such as a car or home are often reviewed favorably when applying for a loan.

Ability to Repay

Creditors look for evidence that your income exceeds your monthly expenses or - in other words - you are living within your means.

Stability

This means that you can hold a steady job, have a dependable income, and have lived in the same residence for a reasonable length of time.

Credit References

Banks always evaluate how well you have handled past credit accounts. Even if you don't have a credit history with loans or credit cards, potential creditors want to know if you've had any type of banking relationship – like a savings or checking account – and if you've handled those accounts well. Relationships often used for credit references include rent payments and utility bills.

Question: Will RBC lend to me if I do not have an account?

Answer: Certainly. However, the Bank's lending criteria and other conditions will apply.

Question: Does RBC finance Home Construction or Home Purchases?

Answer: Yes. RBC provides financing for first time home owners whether for construction or purchasing your home and refinancing for home renovations. Our services are also extended to Foreign Residents for Residential Homes in US\$.

Answer: VISA Gold & MasterCard or MasterCard Gold.

Financial Information Month – October 2009
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