

When To Use Credit

Courtesy of American Financial Solutions

Using credit properly can be a great tool but requires organization, money management skills, and responsibility.

The simplest reason for using credit from time to time is that some purchases are so large that they would exhaust your savings if you had to come up with all of the cash at the time of purchase. These include purchasing items like a home or vehicles, or paying for college.



Before you use your credit for a major purchase, consider the realities;

- All borrowed money must be paid back.
- Payback consists of both the principal (the amount you borrowed) and interest (the cost of borrowing).

If you are contemplating using credit or a loan, there are some important aspects for you to consider. Complete the [Credit Decision Questionnaire](#) to help you determine if borrowing is right for you.