



# your guide to a brighter credit future<sup>†</sup>

ready to start your credit journey with us?



scan the QR code or go to [fingerhut.com/apply](https://fingerhut.com/apply)



<sup>†</sup>If you apply and are accepted for a Fingerhut Credit Account issued by WebBank, who determines eligibility and qualifications for the terms of credit.

# our goal is to help you build or rebuild your credit history

how do we do it? here's how simple it is



we give you access to a WebBank/ Fingerhut Fetti credit account so you start building new credit history<sup>1</sup>



you use it to buy top brands and products for you and your family



you make your low monthly payments<sup>1</sup> on time to improve your credit history



we cheer you on every step of the way

## we also want to help you learn more about credit and finances

That's why we're sending you this guide filled with useful info. We suggest you read all the articles, then keep it handy as you continue working on your credit.

### here's what you'll learn

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## why is it so important to improve your credit?

better credit can make everyday life less expensive, plus easier to qualify for apartments, loans and mortgages<sup>2</sup>



### renting an apartment or house

If your landlord checks your credit history or score, having better credit can make it more likely that **you'll get approved** for the place you want.<sup>2</sup>



### applying for a loan

Having better credit can make it easier to be approved for a loan. You could also qualify for a lower interest rate and **save lots of money** in interest on your loan.



### getting a mortgage

Just like with loans, better credit could make getting approved easier and get you a lower interest rate. You could **save thousands and thousands of dollars** on a typical 30-year mortgage.

<sup>1</sup> apply now and get an instant decision at [fingerhut.com/apply](https://fingerhut.com/apply)

<sup>1</sup> If you apply and are accepted for a Fingerhut Credit Account issued by WebBank, who determines eligibility and qualifications for the terms of credit. <sup>2</sup> <https://www.usa.gov/credit-reports>

# what are credit reports and scores?

Your credit reports and scores are two of the factors that banks and credit companies use to decide if they'll give you credit. Both are based on your history of getting credit, making payments and other factors.

## what's the best credit score?

There's more than one type of credit score, but the one that a lot of banks and credit companies use is the FICO® Score. Up next, you'll learn more about the FICO® Score.

## what's in your credit report?

### credit accounts

Your open, paid-off and closed credit cards and loans, how long you've had accounts, and your credit limits or original loan amounts.

### credit inquiries

When you apply for credit, it'll show as a hard inquiry. If you check your own credit or a company prescreens you, it's a soft inquiry. Hard inquiries can lower your score; soft inquiries won't affect it.

### personal info

This is info used to identify you like your name, birthday, address and Social Security number.

### public records

Bankruptcies are shown here. How long do they stay on your credit report? A Chapter 13 will be there for seven years; Chapter 7 will be there for 10.

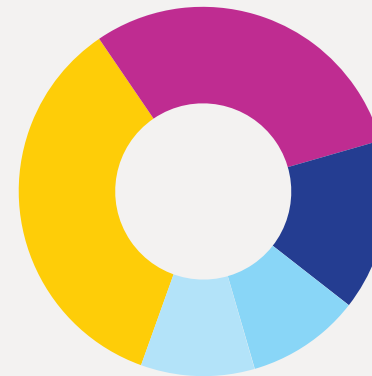
It's a three-digit number that shows how likely you are to repay debt. It's based on the history in your credit report.

A long history of on-time payments may mean higher credit scores, which can help you get favorable credit terms in the future.<sup>1</sup>

Late payments, bankruptcy and other negatives can mean lower credit scores. That can make it harder for you to get approved for credit, or you may have to pay higher interest rates.<sup>2</sup>

## how is your FICO® Score calculated?

Your FICO® Score is based on five factors<sup>3</sup>:



### ● payment history (35% of your score)

Have you made payments on time?

### ● amounts owed (30% of your score)

How much of your available credit are you using?

### ● length of credit history (15% of your score)

How long have you had credit?

### ● new credit (10% of your score)

How often are there credit inquiries and new account openings?

### ● credit mix (10% of your score)

What kind of accounts do you have?

Are you wondering if you need a certain FICO® Score to get credit? Some lenders will only want to give credit to people with higher scores, but others (like Fingerhut!) are willing to work with you if you have a lower score.

## what's a credit score?

## what's next?

You've learned the basics about credit reports and scores, so turn the page to see how you can improve your credit.



## how you can improve your credit

No matter where your credit is now, you can start taking steps that can improve your credit over time.

### check your credit reports and credit score

You're entitled to one free credit report a year from each of the three major credit bureaus: Equifax, Experian and TransUnion. Awesome, right?

You may be able to check your credit score for free if your bank or credit card company offers it. You get free 24/7 access to your FICO® Score when you have a WebBank/ Fingerhut Fetti Credit Account.



And don't forget, checking your own credit won't affect your credit score. Ready to check your credit reports? Scan this QR code to get more info.



### use a budget to manage your money

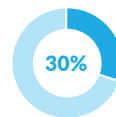
When you use a budget, you're deciding in advance how you'll spend your money every month. So, before your paycheck comes in you already know where it's going. That's right, you're in charge of your money, not your budget.

Plus, a budget can also help you save money, get out of debt,<sup>1</sup> start and reach financial goals, and live within your means. See pages 11-12 for more about budgets.



### pay your bills on time

Every time you make an on-time payment, it will improve your credit history and may improve your credit score. Why? Because your payment history counts for up to a whopping 35% of your score.<sup>2</sup>



### keep balances low on your revolving credit accounts or pay them off

Up to 30% of your credit score is based on your credit utilization rate (CUR). Your CUR shows how much of your total revolving credit limits you're using, so it's a good idea to try and keep it below 30%.

To calculate your CUR, add up your revolving credit balances then divide that by your total credit limits.<sup>3</sup>



### keep unused credit cards open

Your credit history and scores benefit from having a long credit history and higher total credit limit, so keep unused accounts open unless annual fees cost you too much.

When you close an account, your total credit limits go down, which can make your CUR go up. It's also possible your credit score could go down.<sup>4,5</sup>



### don't apply for a bunch of new credit accounts

Every credit application counts as a hard inquiry and may hurt your credit score a little, but a lot of them can have a more negative effect on your score.

New accounts will also decrease the average age of your accounts and could hurt your score.<sup>4</sup>

### what's next?

You've learned how you can work on improving your credit. Now let's see how Fingerhut can help you. Are you excited? We are.

1 <https://www.experian.com/blogs/ask-experian/how-to-pay-off-more-debt-using-budget/> 2 <https://www.experian.com/blogs/ask-experian/infographic-what-are-the-different-scoring-ranges/> 3 <https://www.experian.com/blogs/ask-experian/credit-education/score-basics/credit-utilization-rate/> 4 <https://www.experian.com/blogs/ask-experian/credit-education/improving-credit/improve-credit-score/> 5 <https://www.experian.com/blogs/ask-experian/ways-to-improve-credit/> FICO is a registered trademark of Fair Isaac Corporation in the United States and other countries.



# ready to start building or rebuilding your credit?

here's how a WebBank/Fingerhut Fetti Credit Account can help you



## easy approval

90% of people who apply get approved when verified<sup>1</sup>



## the power to buy top name brands and products

- enjoy budget-friendly low monthly payments<sup>2</sup>
- access to sales and deals

## awesome credit benefits

- free 24/7 access to your FICO<sup>®</sup> Score
- we report to all three credit bureaus



## a smarter alternative to traditional buy now, pay later options

- lowest monthly payments<sup>3</sup>
- helps you build new credit history



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<sup>1</sup> Based on the average number of applications for which the applicant's identity was able to be verified between 8/2021 and 4/2022. <sup>2</sup> If you apply and are accepted for a Fingerhut Credit Account issued by WebBank, who determines eligibility and qualifications for the terms of credit. <sup>3</sup> Based on purchases of \$40 or more with a WebBank/Fingerhut Fetti Credit Account versus a typical 6-week, 4-payment BNPL option. FICO is a registered trademark of Fair Isaac Corporation in the United States and other countries.

# choose from 1000s of top brand names and products

available with budget-friendly low monthly payments<sup>1</sup> when you use a WebBank/Fingerhut Fetti Credit Account

You trust brand-name products because you know they're well-made and you can depend on their quality. You need the products you buy to last a long time especially if you're buying them with credit.

That's why we work hard to make sure fingerhut.com is stocked with the top brand names and products you and your family want.



REVLON



BEARPAW

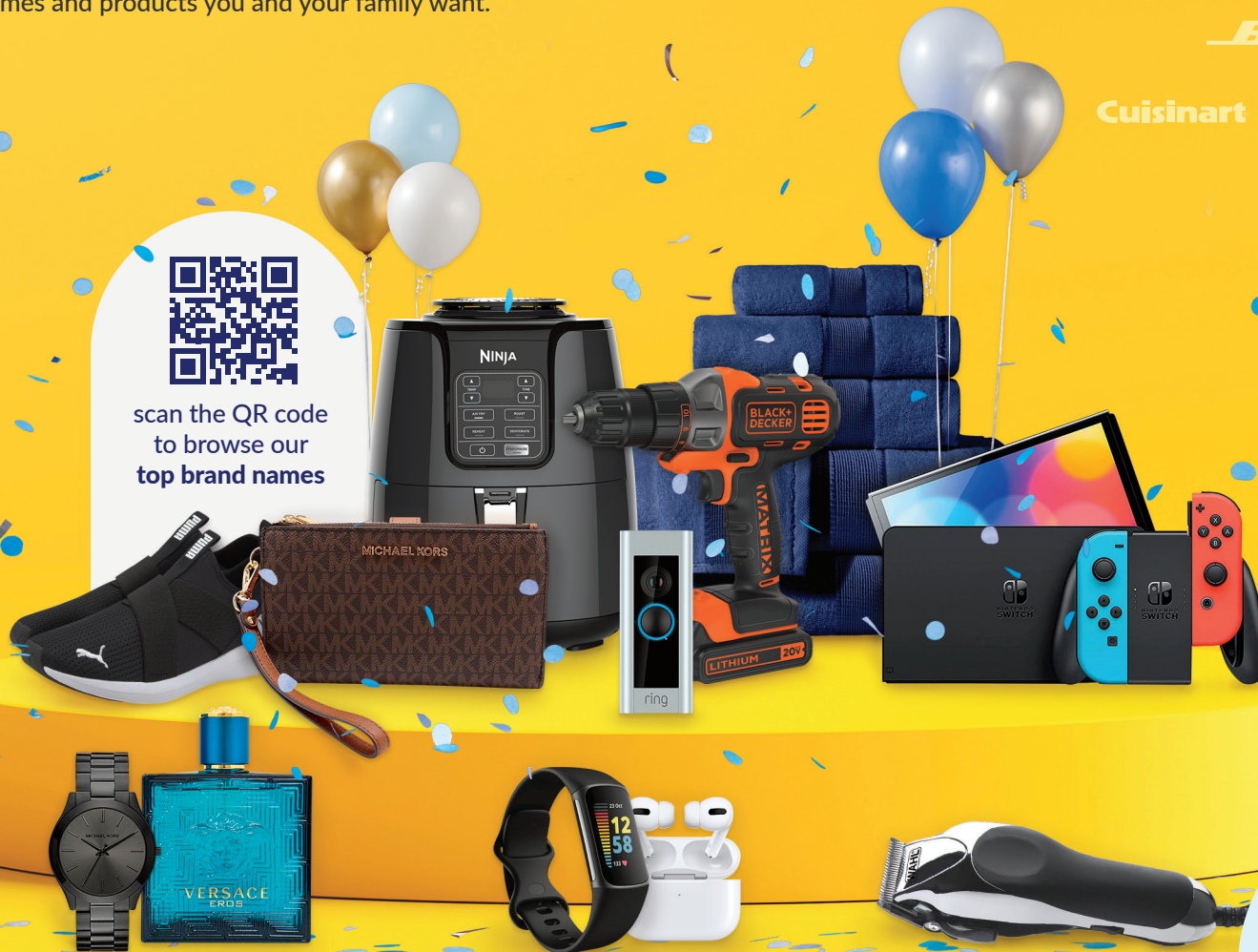
MICHAEL KORS

BOSE

Cuisinart



scan the QR code to browse our top brand names



## the brand names you trust

like Samsung, Skechers, Levi's, Ninja, HP and more



## your favorite shopping categories

from clothing and electronics to home, jewelry, beauty, video games and more



## every purchase is a credit-building opportunity

when you use a WebBank/Fingerhut Fetti Credit Account<sup>1</sup>

## what's next?

Turn the page to learn how a budget can help you take charge of your finances.





## how to create and use a budget

spoiler alert: it's a super-effective way to take charge of your finances

We get that budgets can sound boring and controlling, but guess what? When you have a budget, you're the one calling the shots and you get to decide how you'll spend your money.

What's even better? A budget is a helpful tool when you're working to build or rebuild your credit. That's because when you include monthly payments for loans and credit accounts in your budget, you're making sure there's money set aside for them

Budgets can also help you manage your spending, get out of debt,<sup>1</sup> and plan and save for the future. That makes budgets pretty cool, don't you think?

Use the easy-to-use **printable worksheet** from the folks at the Consumer Financial Protection Bureau to get started, or just a pen and some paper.

## You can put together a basic budget in 3 easy steps.

### step 1

List your monthly income using your net pay – the amount paid to you after taxes and benefits. And make sure to include tips, government benefits and other income sources. If your income changes monthly, use a 3-month average.

### step 2

Use your bank, utility and credit card statements to estimate what you spend each month. Make this part easier by breaking your expenses into categories – like housing, family, food, transportation and entertainment.

### step 3

Subtract your expenses from your income. If the number is higher than zero, you're making more than you're spending. Now's a good time to decide what to do with that extra money. You can put more into savings or pay down debt.

### start using your budget

At the end of every month, compare your expenses against your budget to see how you did.

If you go over budget, it doesn't mean you failed, but it's a good idea to figure out why and then adjust your budget for next month.

It might take you a few months to get the hang of it, but don't give up. It'll be worth it.



scan the QR code for a **budget worksheet**

### what's next?

We'll answer Frequently Asked Questions about credit. See you on the next page.

answers to

# Frequently Asked Questions (FAQs)

about your credit



## I'm not sure how to build credit, can you help?

It's as simple as opening a credit card or account, using it to make a small purchase or two, then paying off your account balance by making the monthly payments on time.

After a few months, your credit account will be on your credit report and so will your payments. Keep making small purchases and on-time payments to keep building positive credit history.

## is there a shortcut I can use to build credit fast?

There's no shortcut or quick fix. If you're just starting out and don't have any credit, or if you've had credit challenges in the past, it'll take time to build or rebuild it.

There is good news though. When you take steps in the right direction – like making payments on time every month and paying down balances on your credit accounts – you'll be building credit history.

## what is the best way to build credit?

The best way to build credit is by using it responsibly. That means making monthly payments on time, every time, for credit cards, car loans, home loans and any of your other credit accounts.

Also, keep the balances low on any of your revolving credit accounts. Last but not least, don't apply for more credit than you need. It can be too tempting to use it when you don't need it.

## why does my credit score change so often?

Your score can change from month to month because the info used to calculate it, your credit reports, is always changing.<sup>1</sup>

Every late or on-time payment can affect your credit score. So can getting a new account or closing one, when account balances go up or down, or positive or negative info dropping off your reports.

## how are my credit limits determined?

Your credit limits on new accounts are based on a variety of factors including your credit history, credit score, income and credit utilization rate (CUR).<sup>2</sup>

Your credit utilization rate (CUR) is how much you owe, or the total of all your revolving credit accounts divided by your total credit limits. Your CUR shows if you're managing credit responsibly and not maxing out your accounts.<sup>2</sup>

## how do I lower my credit utilization rate (CUR)?

The simple answer? Pay down the balances on your revolving credit accounts. When you do that, your CUR will also go down and that can have a positive effect on your credit score.

On the flip side, if you keep balances high your CUR will also be high, and it may have a negative effect on your score.<sup>2</sup>



don't wait – scan this QR code  
or go to [fingerhut.com/apply](https://www.fingerhut.com/apply)  
to apply and get a fast decision





## what can a brighter credit future look like?

Once you build or rebuild your credit, you'll see your hard work paying off in so many ways.

That budget you weren't so sure about at first? It's helped you take charge of your finances. You keep paying every one of your bills on time. You're even saving money for your financial goals and dreams.

Was one of your dreams to own a place of your own? That dream could come true with on-time payments – like it did for 110,000 Fingerhut customers who got their first mortgage within 3 years of their first credit purchase with us.<sup>1</sup>

Now that you have better credit, you could get a lower interest rate and save thousands and thousands of dollars on a 30-year mortgage.

**You've learned a lot about credit and finances, which gives you confidence when you need to make a financial decision.**

And it all started because you took the first step and

**trusted Fingerhut to be your guide.**



go to [fingerhut.com/apply](https://www.fingerhut.com/apply) to start on the road to building your credit history\*

1 Based on all WebBank/Fingerhut Credit Accounts activated between 1/2017 and 12/2021. \*If you apply and are accepted for a Fingerhut Credit Account issued by WebBank, who determines eligibility and qualifications for the terms of credit.



# try our proven way to build or rebuild your credit history\*

with a Fingerhut Fetti Credit Account  
issued by WebBank



not an  
access card

apply now and take the first step  
toward building your credit history\*



scan this QR code or  
go to [fingerhut.com/apply](https://fingerhut.com/apply)  
for a fast decision



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want to learn even more about credit and finances?

we've got exciting lessons, quizzes, articles and more  
to help you while working on your credit

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