



Credit Checklist

A Financial Checklist for Credit Best Practices

Credit is more than a number. It reflects your financial habits and plays a significant role in your ability to borrow, qualify for housing, secure favorable interest rates, and even obtain insurance or employment in certain circumstances.

While credit can be a powerful financial tool, it requires attention and discipline. This checklist is designed to help you build, protect, and manage your credit with clarity and confidence.

Remember: strong credit habits are built over time. Small, consistent actions can make a meaningful difference in your long-term financial health.

Managing Your Bills Effectively

Strong credit begins with consistent bill management. Establishing organized payment systems reduces the risk of missed due dates and helps create financial stability over time.

Simplify with Bill Pay

- **Use online bill pay systems for recurring obligations.** Automated bill pay helps reduce the risk of missed payments and late fees, which can negatively impact your credit.
- **Regularly review your bill pay list.** Remove outdated subscriptions, confirm payment amounts, and verify due dates. Subscriptions and recurring charges can quietly accumulate over time.

Use Auto-Pay Strategically

- **Auto-pay is best suited for fixed expenses.** Mortgage or rent payments, car loans, insurance premiums, and subscription services typically have consistent amounts, making them lower risk for automation.

- **Be cautious with variable bills.** Utilities, credit cards, and phone bills may fluctuate. Instead of full auto-pay, consider setting a recurring reminder to manually review the amount due each month.

Maintain a Checking Account Buffer

- **Keep a cushion in your account.** Maintaining an extra balance can prevent overdraft fees, returned payments, and credit damage from missed obligations. Even a small buffer can reduce financial stress and protect your payment history.

Consolidate Due Dates

- **Align payment dates where possible.** Consolidating due dates makes budgeting more manageable and reduces the mental load of tracking multiple deadlines throughout the month.

Using Credit Cards Wisely

Credit cards can be powerful financial tools when used intentionally. Thoughtful habits combined with discipline allow you to build credit while avoiding unnecessary interest and debt.

Pay On Time, Every Time

- **Payment history is the single largest factor in your credit score.** Even one late payment can significantly lower your score.
- **Set payment reminders.** Use calendar reminders, phone alerts, or automatic minimum payments so that nothing slips through the cracks.

Pay in Full Whenever Possible

- **Paying the full balance each month avoids:**
 - Interest charges
 - Long-term debt accumulation
 - The erosion of any rewards earned
- **If you cannot pay in full:**
 - Prioritize the highest interest rate first (often referred to as the “debt avalanche” method)
 - Continue making at least the minimum payment on all other cards

Keep Credit Utilization Low

- **Credit utilization = balance ÷ credit limit.**
 - Ideally, keep utilization below 30% — and under 10% when possible
 - Lower utilization signals responsible credit management

Use Rewards Strategically

- **Select cards to maximize reward value.** Choose cards that align with your spending habits (groceries, travel, fuel, etc.).
- **Avoid carrying balances.** Interest charges often outweigh the value of rewards.

Understand Your Card Benefits

- **Review your benefits annually.** Use benefits that you’re entitled to. Many cardholders overlook valuable perks such as:
 - Purchase protection
 - Extended warranties
 - Travel insurance
 - No foreign transaction fees

Avoid Cash Advances

- **Cash advances can quickly become expensive.** They should generally be avoided and often include:
 - Immediate interest accrual
 - Higher interest rates
 - Transaction fees
 - No grace period

Other Helpful Tips

- Make mid-cycle payments to reduce the balance reported to credit bureaus.
- Avoid closing older cards unnecessarily, as this may shorten your credit history and reduce available credit.

Remember to stay consistent. Small habits matter.

Building strong credit does not happen overnight. It is the result of steady, responsible behavior over time. By paying attention to due dates, monitoring activity, and managing balances wisely, you protect not just your credit score, but your financial flexibility and future opportunities.



Monitor Your Accounts Regularly

Even with strong systems in place, active monitoring is essential. Regular review helps you catch errors, detect fraud early, and stay in control of your financial activity.

Set Up Account Alerts

- **Most banks and credit card issuers offer free alerts.** These alerts can help detect fraud early and prevent missed payments. Consider enabling:
 - Purchase alerts over a specified dollar amount
 - Online or international transaction alerts
 - Balance threshold notifications
 - Payment due reminders
 - Credit limit alerts

Check Transactions Weekly

- **Catch errors early.** Early detection of fraudulent charges can limit financial damage. Look for:
 - Unrecognized charges (small “test” charges are common signs of fraud)
 - Duplicate charges
 - Subscription price increases

Review Statements Monthly

- **Review monthly statements carefully.** Some fraudulent or incorrect charges only become visible on full statements. Taking action can help protect your credit standing.

Be proactive. Don't wait for a problem to act.

Credit issues are far easier to prevent than to repair. Small oversights—like missed alerts, unnoticed fraud, or inaccurate reporting—can escalate quickly if left unaddressed. By staying attentive and reviewing your accounts regularly, you strengthen your financial foundation and reduce the likelihood of unexpected setbacks.

Protecting Your Credit Profile

Your credit profile represents years of financial behavior. Taking proactive steps to review and safeguard it can prevent long-term damage and preserve your financial flexibility.

Review Your Credit Reports Regularly

- **You are entitled to free credit reports.** You can access free credit reports from AnnualCreditReport.com. Review your credit reports for:
 - Accounts you did not open
 - Incorrect balances
 - Identity theft indicators
 - Outdated or inaccurate information

- **Utilize credit monitoring services.** Many financial institutions also offer credit monitoring services with alerts for significant changes.

Consider a Credit Freeze

- **Prevent new accounts from being opened.** A credit freeze prevents new accounts from being opened in your name. It does not affect your ability to use existing credit cards. This can be an effective step if:
 - You suspect identity theft
 - Your personal data has been compromised
 - You want added protection as a preventative measure

Give yourself confidence in your financial foundation

Credit is one component of a broader financial picture. When managed thoughtfully, it becomes a tool that supports your goals rather than limits them.

At JFS Wealth Advisors, we believe that clarity and discipline in financial habits create long-term stability. If you have questions about your credit profile or how it fits into your overall financial plan, we're here to help.

Ask a question or schedule a no-pressure, complimentary consultation:

JFSWA.COM

Visit us at one of our nine locations:

Atlanta, GA	Mechanicsburg, PA	Lancaster, PA
Berwyn, PA	Doylestown, PA	Naples, FL
Blue Bell, PA	Hermitage, PA	Pittsburgh, PA

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