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Building Credit Before 18

L3.3.7 · STARTING FROM ZERO

I CAN

list the legitimate ways a young person builds credit history

Authorized user On a parent's card. What is the risk to them?	Secured credit card You deposit the limit. Why would a lender agree?
Credit-builder loan You pay first, receive after. Who is it for?	Rent reporting Rent counted toward the score. What is the catch?

THE TRAP IN STARTING EARLY
A credit card at 18 with no plan is how most people meet compound interest from the wrong side.
Write the plan you would have before opening one:

Answers and talking points

What a good answer looks like, and one question to ask when the pencils go down.

Route	The question on the page	A good answer
Authorized user	What is the risk to them?	Their credit carries your behavior. If the balance runs high or a payment is late, it lands on the adult too
Secured credit card	Why would a lender agree?	You deposit the limit first, so the lender is risking nothing. That is the whole reason it is open to beginners
Credit-builder loan	Who is it for?	Someone with no history at all. You make the payments first and receive the money at the end, so the lender is never exposed
Rent reporting	What is the catch?	Not every landlord or bureau takes part, and some services charge a monthly fee to report what you already pay

6-8

The pattern underneath all four

Every legitimate route works the same way: **the lender is protected before you are trusted**. A deposit, a parent, or payments made up front. Once a student sees that, the fake routes become obvious — anything promising a score without someone carrying the risk is selling something.

Ask: "Who is taking the risk in each of these?" Never the lender. That is why these four exist and other things do not.

6-8

The trap in starting from zero

You need credit to get credit. That circle is real, and it is the reason the page exists — all four routes are ways around it rather than through it. Worth saying plainly: none of this is urgent at thirteen, and the most valuable thing a student can take away is simply that **the clock on length of history starts whenever they begin**.

Ask: "Which of these could you actually do this year?" For most, becoming an authorized user is the only one — and it is a conversation with a parent, not a form.