

TIER 2 CREDIT BUILDING CHECKLIST

1. Check Your D&B Credit Report

Before applying for any new credit lines, check to be sure you have a PAYDEX Score on D&B. Don't worry if Equifax and/or Experian are behind a bit, they usually are. You don't need Experian or Equifax credit histories to get basic retail credit, just D&B.

Once 3 tradelines are reporting (sometimes takes three cycles / 90 days of reporting), an 80 PAYDEX Score is issued and that's what most Tier 2 lenders will be looking for. Once you get a PAYDEX Score - remember to wait at least 1 week before applying for new credit.

2. Apply to Tier 2 Vendors

You can access the file here: [List of Starter Net Credit Line Vendors](#)

- DO NOT give your Social Security Number or a personal guarantee on applications for any credit at this stage. If your SSN is absolutely required on the application, remember to state "the SSN is only being supplied for identity verification only. I do not consent to a credit check or personal guarantee.
- If you give your SSN, the lender is using your personal juristic person as a co-signer on the credit line and evaluating creditworthiness based on your personal credit, in which case you will be personally responsible for the debt
- Unless you've been declined 4-5 times in a row from different vendors, declined credit applications at Tier 2 are not a big deal - just apply to another. Check the terms of the accounts carefully to make sure you'll be accepted. Again, you're still just looking for NET-30 accounts.
- Sometimes credit issuers don't publicize their guidelines. When in doubt, just pick up the phone and ask them whatever you need to know. Lending policies change, so it's smart to confirm the details before blindly applying.
- It is preferable that lenders report to all three bureaus. Your business credit profile will grow faster if they report to at least two bureaus - so consider that fact before getting just any credit line. At the very least the vendor must report to D&B.
- Again, you want to make over \$50 in purchases for every purchase so these accounts report the payment experience initially. Use these accounts every month so they report. Only make one payment per month with all your accounts, paid early. Once all of these companies have reported your payment experiences you can move on to the next Tier of credit available.

3. Purchase Goods and Services [\$250 / mo]

Make an immediate purchase on each new account. Remember to place a minimum 450 orders with each Tier 2 Vendor (at least one order per month).

If you get some revolving credit at this stage, pay your bills early every month, and pay your NET-30 accounts in full every time, but don't pay the full balance on the revolving line(s). Keep a running balance (using the revolving feature) to build credit faster. It shows a higher average monthly balance without having to buy expensive things each month. Just make a small new purchase every month and run a balance month to month, paying the minimum amount due - early!