

Alternatives to a regular credit card

- Secured credit card
- Co-signed credit card
- Secondary cardholder on your parent's card
- Prepaid card

Secured card

If multiple banks decline your credit card application, try asking for a secured card.

To sign up for a secured credit card, you have to put up some cash, usually \$500. The bank will hold on to your \$500 while you use your card but payments with it will still function like loans - if you don't pay your balance on the due date you will be charged interest. After a few months, if you stay within your limit and pay full balances on time, you can go to the bank and ask them to reduce the hold. Keep coming back every few months until they reduce it to zero.

Co-signed card

You can ask your parent, or another friendly adult with a good credit history, to co-sign your credit card. In this case both of you become responsible for payments and they show up in both your credit histories.

Secondary cardholder

Asking your parent to add you as a secondary user to their credit card will not build your credit history. You will get a card with your name on it, but your parents will still be responsible for your payments.

Prepaid card

A prepaid credit card is more like a gift card than a credit card. It does not help build your credit history because it is not a loan. You can load the card with cash or money from your chequing account.