

TIER 5 CREDIT BUILDING CHECKLIST

1. Check Your Credit Report

Before applying for any new credit lines, check your credit reports to be sure you have the minimum number of tradelines reporting to D&B and Equifax/Experian. Again, if Nav's business credit reports aren't providing you with the details you need, now would be a good time to purchase full business credit reports so you can better monitor exactly what's going on

(Optional) Negotiate Better Terms for Your Credit Lines

Keep in mind it's better to try and work out better payment terms than to rack up late fees, default or close an account. Follow the steps in this section to negotiate with your vendors for better payment terms.

2. Apply to Tier 5 Vendors

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

This is basically the same set of steps you used to apply for credit before, but now you're looking for larger credit lines and better terms, particularly revolving credit. Look for credit lines between \$2,000 and \$10,000 without a personal guarantee requirement, preferably on revolving credit terms.

- If you find a net terms account with a high limit, that's a good one too, as it accomplishes one of the two goals. This step is sort of an end-run around the hurdle into major credit cards. The best options are revolving credit cards offered by retailers as a way to step into the revolving business credit card world.
- The best options are revolving credit cards offered by retailers as a way to step into the revolving business credit card world. If the cards have a major card logo, like Visa, all the better. We highly recommend applying for:
 - Chevron/Texaco Universal Mastercard (one of the easiest ones to get approved for)
 - BBVA Compass Business Secured Visa
 - Metro Credit Union Visa Secured Card
 - Wells Fargo Business Secured Mastercard
 - Costco Anywhere Visa Business Card.

If you qualify for these, they can all be used like cash credit cards at almost any store. Do seek out at least one credit line with a \$10,000+ limit.

3. Purchase Goods and Services & Make Payments On Time [\$250 / mo]

Make an immediate purchase on each new account. Remember to place a new order with each vendor (for at least 3 months in a row).

- Ideally, you want to keep making purchases long as you can afford it and have use for the things you're buying. Each order should be the minimum order requirement or at least over \$50.
- However, if you want to add a small boost to your credit, want to make a large purchase or you're getting tight on cash flow, you can maintain a balance of up to 25% of your credit limit on revolving accounts. Be aware you may have additional interest to pay with higher balances.

(Optional) Search Online for Store Business Credit Cards

If you want to seek out other vendors, check online for store/retail business credit card offers, search terms like: “retail business credit cards”, “INDUSTRY store business credit cards” (e.g. electronic store business credit cards), “STORE business credit card” or “STORE corporate credit card.”

Also, be sure to check the same list for credit options your company might now qualify for but didn't qualify for just a few months ago.

NOTE: You are not looking for 'business credit cards' through a major network like Visa, Mastercard, or American Express yet. Those are 'cash credit' cards that we get in Tiers 5 & 6. For now, get revolving store business credit. The easiest Tier 4 business credit cards to acquire usually fall into one of three categories: gas cards, office supply stores, and low-end retail stores. Apply for the ones that make sense for you.

5. Purchase Goods and Services & Make Payments On Time [\$250 / mo]

Make an immediate purchase on each new account. Remember to place a new order with each vendor (for at least 3 months in a row).

- Ideally, you want to keep making purchases long as you can afford it and have use for the things you're buying. Each order should be the minimum order requirement or at least over \$50.
- We recommend paying off your credit lines in full every month. However, if you want to add a small boost to your credit, want to make a large purchase or you're getting tight on cash flow, you can maintain a balance of up to 25% of your credit limit on revolving accounts. Be aware you may have additional interest to pay with higher balances.