

Credit and Finances as an Expat

1. Will my credit score follow me to my new home?

- a. In short, no. Your credit score is bound to the country AND the financial institutions that provided you with credit.
- b. Some countries operate with similar credit rating systems, but that does not mean the information is shared. There are boundaries between countries to prevent financial data sharing, and those aren't going anywhere soon.
- c. If you have "shaky" credit, this may be a chance for a new start. Evaluate your needs for credit in your new home. It could be that cash is right approach.
- d. That could be bad: If you were planning on using your credit to buy a new home or make a major purchase, you will have to negotiate credit differently. That may mean you are paying higher interest rates or other effects.
- e. Every country has its own credit expectations, so do your homework. Whether it's store credit, signing up to vote (it's true!), or bank letters of recommendation, know what is expected in your new home.

2. How can I use my existing credit when I move?

- a. Know what would be helpful in your new home: bank statements, employment contracts or records, copies of your existing credit score... every country is different.
- b. If you plan on keeping your US bank accounts, think about bringing a travel credit card with no foreign transaction fees, an extra credit card (or two) for backup and a debit card. (Keep the backups separated to avoid disaster if you lose your wallet while traveling.) Find cards that are "travel friendly."

3. What about my credit "back home"?

- a. What about it? Do you want to keep it or not? Is that good or bad?
- b. Pay attention to monthly activity expectations or fees.
- c. Don't just disappear if you plan to keep US accounts active. Speak with your finance institutions to figure out the right approach.

4. What should I expect?

- a. There may be some learning challenges with expat credit.
- b. Predatory financing is a universal experience.
- c. The concept of credit is changing around the world.

5. Summary

- a. Generally, credit scores will not follow you to other countries
- b. You can establish credit in your new home
- c. You can make the most of the credit you currently have
- d. Stay informed about your "credit history back home"
- e. Think of your credit score like a "credit resume" - and plan accordingly
- f. Countries tend to adopt four positions that may be changing: 1)no standardized reporting; 2)problems-only reporting; or 3)credit (and life) history

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Site	Best for
https://www.investopedia.com/articles/personal-finance/041415/my-credit-score-useful-outside-us.asp	General overview of credit applicability in other countries.
https://www.businessinsider.com/credit-score-around-the-world-2018-8#2-united-kingdom-2	An overview of the difference in credit approaches between some common countries
https://www.finder.com/how-countries-score-credit	Like the article above, with comparative explanations and some different countries
https://www.buddyloans.com/blog/does-my-credit-score-follow-me-to-other-countries/	Focused on the UK, but helps define some of the options for building credit as an expat
https://www.opploans.com/blog/how-moving-countries-impacts-your-credit-score/	Practical, if a bit exaggerated, discussion of the impact of moving on your US credit.
https://www.nerdwallet.com/blog/credit-cards/sean-talks-money-dont-travel-abroad-with-only-a-credit-card/	Cautionary tale about relying only on credit when traveling.

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<https://valenciaatlast.com/atlexpats/>

Thanks!

Dr. Christopher Wells, Organizer

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