

# Letter of Guidance on Promotional Credit

Date: [Insert Date]

To: [Recipient's Name]

[Recipient's Address]

Dear [Recipient's Name],

We are reaching out to provide you with important information regarding promotional credit offers and their potential impact on your credit evaluations.

## Understanding Promotional Credit

Promotional credit offers, such as zero percent interest rates or deferred payment plans, can be beneficial for managing expenses. However, it is essential to understand how they can affect your credit score.

## Impact on Credit Evaluations

- **Credit Utilization:** Taking on promotional credit can increase your credit utilization ratio, influencing your credit score.
- **Payment History:** Timely payments on promotional credit are crucial, as late payments can negatively affect your credit rating.
- **Account Inquiries:** Opening new accounts for promotional credit may result in hard inquiries, which can temporarily lower your score.

## Recommendations

To mitigate potential negative impacts, we recommend:

- Only utilizing promotional credit you can manage.
- Tracking payment deadlines to avoid missed payments.
- Monitoring your credit report regularly.

If you have any questions or need further assistance, please do not hesitate to contact us.

Sincerely,

[Your Name]

[Your Title]

[Your Company]

[Company Contact Information]