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How a DUI can tank your credit

Tried and convicted with no extra cash? Relying on plastic will cost you BIG

By [Allie Johnson](#)

A conviction for driving under the influence can wreck more than your car: it can damage your credit.

While a DUI (or DWI -- driving while intoxicated) won't show up directly on your credit report or get factored into your score, the financial ramifications could hit your credit hard. "A DUI can have a catastrophic effect on your finances," says Carole Walker, executive director of the Rocky Mountain Insurance Information Association. "So, take that into account before you get behind the wheel."

How the cost of a DUI can drive you into debt

Even for a first drunken driving arrest with no wreck or injuries, costs can rack up quickly. For example, the total cost of a drunken driving conviction in Illinois averages about \$16,500, according to the 2014 Illinois DUI Fact Book, published by the state.

"The steep cost and the fact that most DUI expenses can be paid with a credit card make it easy to get deep in debt if your finances are shaky," says Kevin Haney, a credit industry expert and publisher of SavvyonCredit.com.

"It can all boil down to how much of a financial cushion you have," he says. Common conviction costs include:

- **Attorney fees.** If you hire a private attorney, costs can range from about \$1,500 to \$6,000 for a misdemeanor or up to \$15,000 or more for a felony, says Virginia attorney Bob Battle. Attorneys often require payment up front and typically take plastic, says California DUI attorney Michael Rehm. "Almost all of my clients pay with a credit card," he says.
- **Alcohol education classes.** Many states [require drunken driving offenders](#) to take alcohol education classes, according to data from the Governors Highway Safety Association (GHSA). One example: A-1 Driving School Inc., in Atlanta, charges \$355 for its DUI class and accepts MasterCard and Visa. Costs can reach several thousand dollars for repeat offenders who have to take longer classes, Rehm says. Some schools offer payment plans, but Rehm tells his clients to either pay upfront with cash or use plastic because failure to make a payment can get them kicked out of school, then hauled into court for missing classes. "You're better off with Visa as your creditor than the DUI school," he says.
- **Fines and court costs.** A driving-while-intoxicated fine can range from a few hundred dollars to tens of thousands of dollars, depending on the circumstances and where you live. For example, in Pennsylvania, a fine could cost \$300 for a first-time offense with a blood alcohol level of between .08 and .1, and up to \$10,000 for a third or fourth drunken driving offense in 10 years with a reading of .16 or higher. In Nebraska, a fine could range from \$500 for a first offense, up to \$25,000 for a fifth. Acceptance of credit cards for



criminal fines varies widely among courts, and don't be surprised if a [convenience fee](#) gets tacked on. Alabama's judicial system, for example, allows criminal fine payment through its [alipay.com](#) website -- for a fee of 4 percent.

- **Increased insurance premiums.** You'll pay more for auto insurance for three to five years following a drunken driving conviction. "You could see your rates double, triple, even quadruple," Walker says. And if your credit tanks, expect to see your premiums increase even more, because insurance companies often check your credit when setting your rates, she says: "It's a snowball effect."
- **Other costs.** You might have to pay a bail bondsman to get you out of jail, an impound fee for your car and even a monthly fee to participate in a required community service program, Rehm says. You also could have to pay for monitoring, such as an ignition interlock system on your car, if that's required. "They nickel and dime you," Rehm says.

If your DUI involved a crash, especially one with injuries or death, you could face huge costs. You might have to pay restitution for property damage -- for example, if you plowed your car into a neighbor's \$10,000 fence -- says Florida lawyer Steven Kramer.

You could get sued in civil court, and the plaintiff could get a judgment against you, says Kramer, who says a judgment could range from \$5,000 to seven figures in a case with catastrophic injuries. You also might get hit with punitive damages that could exceed your total net worth, Battle says.

"It could basically wipe you out," he says.

DUI effect on credit

In a best-case scenario, a person who gets arrested for driving while intoxicated might have the funds to cover costs, and the conviction might have no effect at all on their credit report or score, Haney says.

However, in other cases, a drunken driving conviction can lead to credit consequences that can range from minor to major, Haney says. For example:

1. **Charging big expenses could lead to a dip in score.** Using your card to pay thousands of dollars in lawyer fees, alcohol education tuition and fines will increase your [utilization ratio](#), which is the amount of available credit you're using, Haney says. That can cause your credit score to drop, he says. The amount owed on accounts makes up 30 percent of your FICO score, according to [myFICO.com](#). The FICO score takes into account factors such as total amount owed, how many accounts have balances and whether you're close to maxing out cards.
2. **Unpaid fines could get sent to collections.** If you're unable to pay your fines, the county likely will send the debts to a collection agency, Rehm says. A collection on your credit report can have a major negative impact on your score, according to Haney. Collections stay on your credit report for seven years, and the FICO score weighs recent collections more heavily.
3. **A judgment could hurt your credit.** A judgment can show up on your credit as a public record and can hurt your score, Haney says. Judgments stay on your credit report for seven years, whether they've been paid or not.

A conviction can kill your income

In the short term, a driving-under-the-influence arrest and conviction can affect your ability to get to work and keep your job, Walker says. And no job equals no income to pay fees, fines or credit card bills.

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— Kevin Haney
[Savvyoncredit.com](#)

In most states, your driver's license will get suspended for a set time period. In some states, the suspension can last up to six months for a first offense, according to GHSA data. Many states allow limited driving, such as to work, during suspension. However, depending on the state, you might have to wait 30 to 45 days to get those privileges.

And, though a DUI doesn't show up on a credit report, it will show up on a criminal background check, which can affect your chances of getting a job in the future, experts say.

Though Texas entrepreneur Steven Smith's (who asked that his real name be withheld) DUI happened 17 years ago, he's convinced it has pushed him out of the running for several jobs.

Smith got pulled over for speeding as he was driving his girlfriend home one New Year's Eve after a night of Mexican food and dancing. He says he had six beers over the course of the seven-hour evening, but was told his BAC was .16. Because he was making good money as an independent sports agent, he had no trouble paying \$10,000 in attorney fees and other costs.

But, since then, he has applied for several jobs that required criminal background checks and he's never gotten hired. So, he's had to start his own business ventures to try to support his family.

"I can't say for sure that my DUI is the reason I didn't get the jobs," he says. "But it's always in the back of my mind."

See related: [How drunken shopping can pickle your finances](#)

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