

CHOOSING CREDIT CARDS

HOW TO FIND THE RIGHT CARD:

1. The Federal Trade Commission has informative publications at <http://www.ftc.gov>.
2. Websites that list the best credit and credit card deals, educational information and calculators: <http://www.bankrate.com>, <http://www.cardweb.com>.
3. Financial magazines and publications frequently post a list of the best credit card deals for consumers.

QUESTIONS TO ASK:

- Is there an introductory rate? What is it and how long does it last?
- After that, what will my rate be?
- Is there an application fee?
- Are there processing fees?
- Is there an annual fee?
- Is there a late fee?
- Is there an over-the-limit fee?
- Are there additional fees, like account termination fees or balance transfer fees?
- When and how can a variable rate be changed?
- When and how can a fixed rate be changed?
- What is the grace period before interest is applied?
- How will you inform me of any changes in my contract?
- Will the company inform me if I am about to go over my limit?
- If I go over my limit, what happens?
- What is company policy if I have trouble paying my bill?

THE RIGHT CARD FOR YOU:

- Know the terms of your card and what they mean.
- Carrying a balance: Look for a card with a low annual percentage rate (APR).
- Paying off balances monthly: Look for a card with no annual fee. Check for a grace period during which no interest is charged on outstanding balances.
- Poor or no credit history: Secured cards are available. Customers post a security deposit equal to the credit limit of the card.

BEWARE OF HIGH INTEREST CHARGES:

- How widely is the card accepted?
- How high a credit limit do you need?

HOW TO MANAGE CREDIT:

- Commit to a plan to pay off or reduce your credit card debt by using a power payment schedule.
- Call the card company and request that they lower your interest rate and eliminate your fees. It costs nothing to ask.
- Check the fine print on the credit application.
- Are you getting a fixed annual percentage rate, or is it a temporary teaser rate that will increase frequently?
- Always pay more than the minimum amount due.
- If you carry a balance, beware of cards that offer a rebate, frequent flier miles and other perks. They can carry high interest rates and fees that can cancel their benefits.

AVOID IDENTITY THEFT:

- Keep purse and wallet safe at all times.
- Do not carry your Social Security card.
- Do not give personal information to people you do not know.
- Read all bank and financial statements and look for unusual charges and suspicious activity.
- Shred all receipts, checks, bank statements, expired credit cards and any other documents with personal information.

HELPFUL WEBSITES:

- <http://www.aafes.com> (Army & Air Force Exchange Service)
- <http://www.abiworld.org> (American Bankruptcy Institute)
- <http://www.aiccca.com> (Association of Independent Consumer Credit Counseling Agencies)
- <http://www.annualcreditreport.com> (Free annual credit report from the three major agencies)
- <http://www.bankrate.com> (Bankrate, for comparison shopping of rates)
- <http://www.bea.gov> (Department of Commerce, Bureau of Economic Analysis)
- <http://www.bls.gov> (Department of Labor, Bureau of Labor Statistics)
- <http://www.consumerlaw.org> (National Consumer Law Center)
- <http://www.cuna.org> (Credit Union National Association)
- <http://www.federalreserve.gov> (Federal Reserve System)
- <http://www.ftc.gov> (Federal Trade Commission)
- <http://www.legalconsumer.com> (bankruptcy information)
- http://www.cnvc.navy.mil/CNIC_HQ_Site/WhatWeDo/FamilyLine/index.htm (Naval Services Family Line)
- http://www.cnvc.navy.mil/CNIC_HQ_Site/index.htm (Navy Fleet and Family Support Program, Fleet and Family Support Centers)
- <http://www.nfcc.org> (National Foundation for Credit Counseling)