

Choosing Credit Cards

How to Find the Right Card:

1. The Federal Reserve has informative publications at www.FTC.gov.
2. Web sites that list the best credit and credit card deals, educational information and calculators: www.bankrate.com, 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 don't 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 Web sites:

www.aafes.com (Army Air Force Exchange System)
www.abiworld.org (American Bankruptcy Institute)
www.aiccca.com (Association of Independent Consumer Credit Counseling Agencies)
www.annualcreditreport.com (Free annual credit report from the three major agencies)
www.bankrate.com (Bankrate Web site for Comparison Shopping)
www.bea.gov (Bureau of Economic Analysis)
www.bls.gov (Bureau of Labor Statistics)
www.consumerlaw.org (National Consumer Law Center)
www.creditpage.com (Consumer Credit Guide)
www.cuna.org (Credit Union National Association)
www.federalreserve.gov (Federal Reserve System)
www.ftc.gov (Federal Trade Commission)
www.legalconsumer.com (Bankruptcy Information)
www.lifelines.navy.mil (Lifelines Services Network)
www.myvesta.org (Non-profit Debt Management Counseling)
www.ffsp.navy.mil (Fleet and Family Support Centers)
www.nfcc.org (National Foundation for Credit Counseling)

