



Your credit cards – What you don't know can cost you

- Read the fine print. Your interest rate and fees can change after you get the card.
- Don't use cash advances – you'll pay a fee of 3% of the amount you borrow, plus interest on the balance.
- Don't use convenience checks. The bank may charge you a fee, averaging \$31 per check, if it decides not to honor the check after you write it.
- Write to your bank and ask it to stop sending you credit card convenience checks. These are an easy way for an identity thief to access your account.
- Get a credit card with no annual fee. Three quarters of cards no longer have annual fees. You can find "rewards" cards without fees.
- Watch out for "default interest." Your interest rate can go up if you miss payments, go over the credit limit or bounce a check to the credit card bank. The average "default interest" rate in 2005 was 27.3%.
- Avoid credit cards with "double cycle" billing. Under this method, if you pay nearly all of the bill for one month, you may be hit with an interest charge the next month for all of the purchases in the prior month, even though you've already paid for most of them. Three of the six largest credit card issuers use this method.

Consumers need more protections. Tell Congress you want real credit card reforms:
www.yourwallet.org.

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