

# Choosing Credit Cards

## How to Find the Right Card:

1. The Federal Reserve has informative publications at [www.FTC.gov](http://www.FTC.gov).
2. Web sites that list the best credit and credit card deals, educational information and calculators: [www.bankrate.com](http://www.bankrate.com), [www.cardweb.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 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](http://www.aafes.com) (Army Air Force Exchange System)
- [www.abiworld.org](http://www.abiworld.org) (American Bankruptcy Institute)
- [www.aiccca.com](http://www.aiccca.com) (Association of Independent Consumer Credit Counseling Agencies)
- [www.annualcreditreport.com](http://www.annualcreditreport.com) (Free annual credit report from the three major agencies)
- [www.bankrate.com](http://www.bankrate.com) (Bankrate Web site for Comparison Shopping)
- [www.bea.gov](http://www.bea.gov) (Bureau of Economic Analysis)
- [www.bls.gov](http://www.bls.gov) (Bureau of Labor Statistics)
- [www.consumerlaw.org](http://www.consumerlaw.org) (National Consumer Law Center)
- [www.creditpage.com](http://www.creditpage.com) (Consumer Credit Guide)
- [www.cuna.org](http://www.cuna.org) (Credit Union National Association)
- [www.federalreserve.gov](http://www.federalreserve.gov) (Federal Reserve System)
- [www.ftc.gov](http://www.ftc.gov) (Federal Trade Commission)
- [www.legalconsumer.com](http://www.legalconsumer.com) (Bankruptcy Information)
- [www.lifelines.navy.mil](http://www.lifelines.navy.mil) (Lifelines Services Network)
- [www.myvesta.org](http://www.myvesta.org) (Non-profit Debt Management Counseling)
- [www.ffsp.navy.mil](http://www.ffsp.navy.mil) (Fleet and Family Support Centers)
- [www.nfcc.org](http://www.nfcc.org) (National Foundation for Credit Counseling)

