

Tips for keeping your credit cards in control

1. Always follow the 20/10 rule of credit.

Never borrow more than 20% of your annual net income, and never let your monthly debt payments be more than 10% of your monthly net income.

2. Know the difference between needs and wants.

You can lower your monthly expenses by avoiding purchases you can do without.

3. Always try to make more than the minimum payment due on your credit card bill. Low minimum payments are designed for convenience, but not for quick payment of your balance.

4. Never let your credit card reach its spending limit. Always keep part of your credit card available for emergencies and other unplanned expenses.

5. Know what your purchase will really cost. Remember that, if you charge a purchase to your card and don't pay it off right away, you'll end up spending more than the original price.

For more information, visit
www.practicalmoneyskills.com



Understanding and Managing Your Credit Cards

Using a credit card is a big responsibility. While it has many benefits, misuse of a credit card can give you a lot of problems if you don't take it seriously and manage it properly. This pamphlet explains basics about credit cards and your credit rights, and defines common credit terms to help you exercise these rights.

What You Need to Know About Managing Your Credit Cards

Practical Money Skills Pamphlet Series:

Overview

Avoiding Credit Trouble

Budget Basics

Card Security

Credit Card Basics

Credit History

Debit Card Basics

*When you understand how to manage your finances, you've got an invaluable tool in taking control of your life. Wise use of these skills can provide peace of mind, financial freedom, increased buying power and a secure future. This pamphlet is one of a series on **Practical Money Skills for Life.***

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When You Have Credit, You Have Rights

Credit cards are “pay later” financial products that draw from a credit line, money made available by your financial institution, and may give you a grace period to pay. You can use your credit card to make purchases, get cash advances, and guarantee hotel, airline and auto rental reservations.

Each month, your card Issuer sends a bill showing what you owe. To keep interest low, pay off your balance quickly. And, to maintain a good credit history, always make at least the minimum payment due by the due date.

The Right to Have a Credit Card

The Equal Credit Opportunity Act legally protects you against unfair discrimination when you apply for a credit card. Your financial institution’s decision about issuing you a card must be based only on your credit history, or sometimes that of a spouse or former spouse, and other personal financial information about you.

The Right to Know What Your Card will Cost

The Truth-In-Lending Act legally requires your card Issuer to disclose what interest and fees can be charged to your account as well as when and how these charges will be applied. This disclosure appears in your cardholder agreement and on the back of your monthly statement. Review the disclosure carefully. If you have questions, contact your card Issuer.

The Right to Dispute a Purchase or Billing Error

If you are dissatisfied with a credit card purchase or find a possible error on your billing statement, you have the right to file a dispute. Always be sure to put everything in writing, including your account and transaction details, and keep these legal requirements in mind:

- **Purchase Disputes.** The Truth-In-Lending Act limits disputes to goods and services that cost more than \$50, have been purchased in your home state or within 100 miles of your mailing address, and are not yet paid. Notify your Issuer of the dispute only if you cannot first resolve it directly with the merchant.
- **Billing Errors.** The Fair Credit Billing Act requires that you report the error to your Issuer in writing within 60 days after you receive the first bill. The Issuer must reply within 30 days and then either correct the error or explain it to you in writing within two billing cycles. During the investigation, you are not required to pay the disputed amount.

To see how managing your credit cards fits into complete personal financial management, visit www.practicalmoneySkills.com

The Right to Zero Liability Fraud Protection

When you use your Visa® card to shop online, in a store, or anywhere, you’re protected from unauthorized use of your card and account information. With Visa’s Zero Liability policy* your liability for unauthorized transactions is \$0 – you pay nothing! That translates into worry-free shopping, ultimate security, and complete fraud protection.

*U.S.-issued cards only. Visa’s Zero Liability policy does not apply to commercial card or ATM transactions, or to PIN transactions not processed by Visa. See your Cardholder Agreement for more details.

The Right to an Accurate Credit Report

The Fair Credit Reporting Act guarantees you access to the information in your credit history so you can make sure that it is correct. To order a copy of your report, contact any of the three national credit bureaus:

Equifax

P.O. Box 105873, Atlanta, GA 30348
Report Order: 1-800-685-1111
Fraud Hotline: 1-800-525-6285
www.equifax.com

Experian

P.O. Box 2104, Allen, TX 75013-2104
Report Order: 1-888-397-3742
Fraud Hotline: 1-888-397-3742
www.experian.com

Trans Union

P.O. Box 390, Springfield, PA 19064-0390
Report Order: 1-800-888-4213
Fraud Hotline: 1-800-680-7289
www.tuc.com