



Use this tip sheet to evaluate the costs and benefits of using a credit card. This tip sheet covers the following topics:



- Choosing a credit card
- Reading your credit card statement accurately
- What to do if your credit card is lost or stolen

Tip #1:

Choose a Card that Meets Your Needs

When shopping for a credit card:

1. Decide how you will use your card.
2. Start small.
3. Understand the terms.
4. Be aware that introductory rates will change.
5. Avoid application fees.
6. Understand fixed and variable rates

The following is a list of questions you should ask yourself to select a card that best meets your needs:

	Credit Card A	Credit Card B	Credit Card C
<i>Name of credit card issuer</i>			
<i>What is the annual percentage rate (APR)?</i>			
<i>What is the finance charge?</i>			
<i>What are other fees (late fees, over- the- limit fees)?</i>			
<i>Is there a grace period?</i>			
<i>What are other benefits?</i>			
<i>What is my credit limit?</i>			

Tip #2:**Read Your Credit Card Statement Accurately**

The following chart will help you to understand some of the terms printed on your credit card statement. Understanding these terms will help you read your credit card statement accurately.

New balance	Your previous balance, plus any purchases, cash advances, and late fees, minus any payments and credits.
Credit line	The maximum dollar amount you can borrow on the card at one time.
Minimum payment due	The minimum dollar amount that must be paid each month.
Credit amount	This is the amount of credit remaining on your card after your balance and your current charges are subtracted from your total credit line.
Payment due date	The date your payment must be received by the credit card issuer—not the date it is postmarked.
Previous balance	This is the amount you owed at the end of the previous billing period.
Finance charge	This is the cost of credit. It includes interest, service charges, and transaction fees. This charge is calculated on your balance using different methods.

Tip #3:**What To Do If Your Credit Card is Lost or Stolen**

If your credit card is lost or stolen, immediately notify your credit card company. When speaking with your credit card company or anyone else regarding your account, be sure that you:

- ❑ Never give your card number, confidential personal information, or PIN, or similar personal information over the telephone unless you know you have placed the call to someone you know is legitimate.
- ❑ Contact your company as soon as possible. Under federal law, if a thief uses your credit card or card number, the most you are liable for is \$50 per card if the creditor is notified immediately.