## If an offer sounds too good to be true, it is.

Separating the good card deals from the bad and the ugly is a never-ending challenge. Don't let the big hype distract you from the fine print. Because you could be in for a shocking rate hike if you're late with a payment.

### Minimum payment = maximum pain.

When your monthly statement comes, there's a great temptation to pay only the minimum. Don't do it. If you possibly can, pay the balance in full every month. Otherwise it can take years, even decades, to get free of debt.

For the latest credit information from the U.S. government—everything from changes in the bankruptcy laws and how to get a free credit report—just go online to www.ftc.gov or mymoney.gov.

# Credit Card Trick #1

# A Trick That Can Hurt More Than A Late Fee

## What happens when 0% APR jumps to 19.99%.

**Example:** You shift $10,000 from your old credit card to a new card promising a 0% APR introductory rate. You pay $200 a month, the 2% monthly minimum, for three months. These three payments bring your balance down to $9,400. So far, so good.

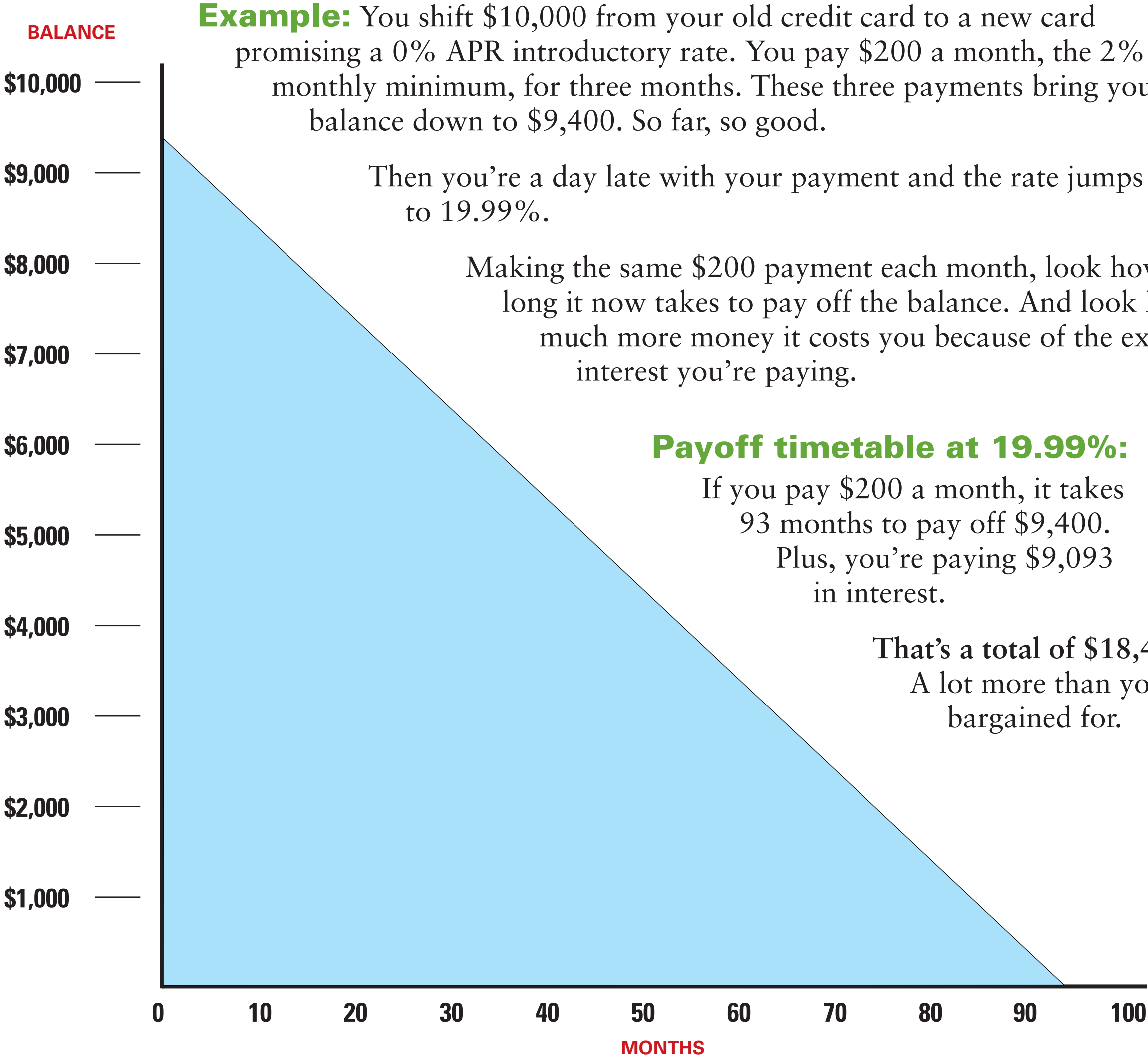
Then you're a day late with your payment and the rate jumps to 19.99%.

Making the same $200 payment each month, look how long it now takes to pay off the balance. And look how much more money it costs you because of the extra interest you're paying.

**Payoff timetable at 19.99%:**

If you pay $200 a month, it takes 93 months to pay off $9,400. Plus, you're paying $9,093 in interest.

**That's a total of $18,493.** A lot more than you bargained for.




### Paid Late = Raised Late

Some credit card companies are endlessly inventive at finding new ways to separate you from your money. So if you're playing their card game, better know the rules, read the fine print, and watch out for their tricks.

### One day late, years of higher interest.

A late monthly payment can cost you a lot more than a late fee. It can raise your rate in a flash. And that super-low introductory rate will disappear.

In its place, you could find a shocker: May be 19.99% APR. Even 29.99%. Or higher.

**Tip:** Mail your payment at least a week in advance of the due date, and use the pre-addressed envelope. Hand-addressed envelopes could be held up in the mailroom and count as a late payment.

### Hurting your credit score.

Some companies report a late payment to the credit bureaus. If a credit bureau lowers your credit score, you might have to pay a higher interest rate when you buy that new car or new home. And that could cost you thousands of dollars over the life of the loan.