



# Managing Your Financial Health

*Avoid the Credit Card Trap*  
*Martha Camus*

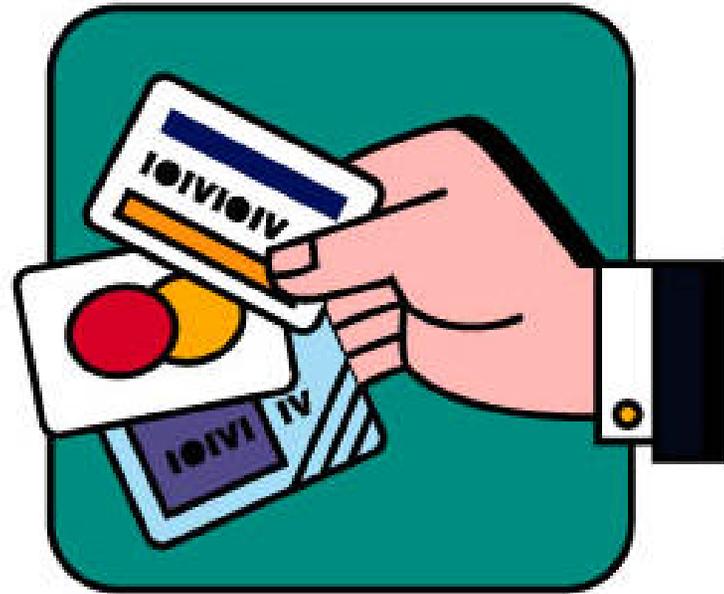


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# Credit Card Traps

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- Interest Rate Costs
- Cash Advance Costs
- Paying the Balance Over Time
- Late Fees for Late Payments



# Interest Rates & Incentives

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- **Introductory Rates**
  - Start at 3.9% to 7.9% for limited, pre-approved period
- **Regular Rates**
  - As much as 14% to 32%
- **Cash Back & Points**
  - As little as 2% of what you charge, compared to 32% interest cost



# Cash Advance Cost

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- Initial Cost
  - finance fee
- Interest Rate
  - is a higher rate
  - accrues daily from point of advance

# Paying the Balance Over Time

\$2,000 purchase on 15% interest card

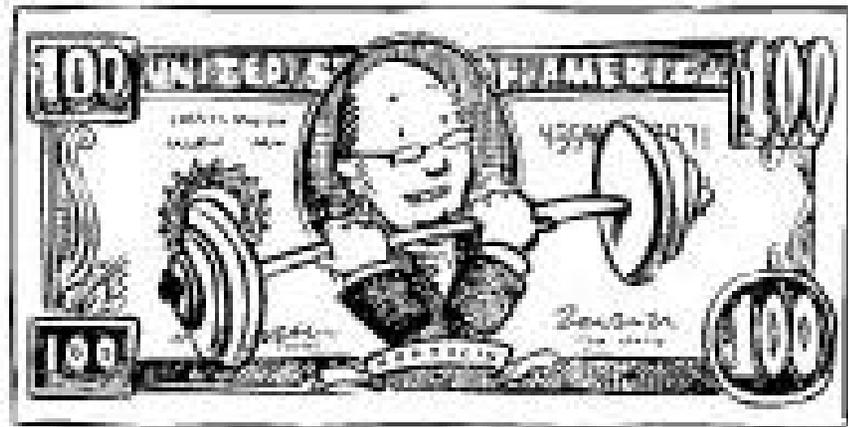
- \$30 per month takes 12 years to pay off with no additional purchases to card
- \$4,327 total repayment:  
\$2,327 interest on a  
\$2,000 purchase !



# Late Payments

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- Result in additional fees
- Increase your balance
- Reflect negatively on your credit report



# Credit Card Hints

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- Use your credit card only for emergencies, not for “wants”
- Don’t maintain a balance on numerous cards -- use only one card
- Pay your bill in full, on time each month

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# Any Questions?

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