

THE BEST WAY TO AVOID CREDIT CARD FEES AND CHARGES

is to adhere to the terms and conditions as stipulated in the yearly card member agreement. If you're applying for a new credit card carefully review the terms of the card before you decide to apply.



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TOP TEN TIPS

ON BANKING CREDIT CARD FEES THAT CAN EAT UP YOUR CASH



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Credit cards aren't free. They come with a price that can be quite costly when you use them.

1. ANNUAL FEES

Find a card that doesn't charge you to use it. Some credit cards have annual fees that run from \$25 to \$300 per year because they offer perks like cash rewards, airline miles or points towards purchases.

2. CASH ADVANCE CHARGES

Many credit card companies are charging a transaction fee each time you take a cash advance on your card. In addition, the interest rate levied on your cash advance usually comes at a higher interest rate than your credit card balance from purchases.

3. LATE FEES

It's important to make monthly payments on time, otherwise late payment fees could run as high as \$39.

4. HIGHER FINANCE CHARGES

Paying only the minimum balance results in more finance charges. In addition, it will take you longer to pay off your account balance.

5. BALANCE TRANSFER FEES

You may be enticed to transfer the balance from your old credit card to a new credit card that offers a lower interest rate. The balance transfer will come with a fee that can run anywhere from 1-3 % of the balance you transfer.

6. FOREIGN TRANSACTION FEES

If you use your credit card for purchases outside the U.S. or buy from a foreign based online retailer, you may be charged with a foreign transaction fee of 1-3% of the purchase amount.

7. CREDIT CARD SWIPE FEES

A swipe fee is the cost retailers pay every time you use your credit card. This could cost you an additional 1.5% - 4% on your credit card purchase.

8. INTRODUCTORY RATES

Many cards offer low introductory interest rates. After the introductory period, your interest rate could go up significantly.

9. OVER-THE-LIMIT-FEE

This fee is charged by the credit card company if the outstanding balance on your credit card exceeds the credit limit.

10. WATCH OUT FOR THE UNIVERSAL DEFAULT CLAUSE

If you have a credit card with a universal default clause, the credit card issuer can raise interest rates if your credit score changes, if you take too much debt, or if you're late in paying another creditor.