



THREE WAYS CREDIT CARD COMPANIES CAN TRICK YOU

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When the Dodd-Frank Wall Street Reform and Consumer Protection Act was put into place, credit card holders were supposed to benefit from the new regulation. Consumers would receive new notifications for rate fee increases, statements would inform consumers on how long it would take to pay off balances, and credit issuers were required to mail bills at least 21 days before the due date. Now that some time has passed since the Dodd-Frank Act, consumers are still struggling with all time high levels of credit card debt and the fine print coming from credit card companies are smaller than ever. Here are three things you should keep an eye on so you don't get stung by the credit card companies.

1 Late Fees

Late fees are a big source of ways that credit card companies earn money. Since many of us pay our bills through automatic payment, you should make sure you pay your credit card bill a few days before the actual due date. Some credit card companies will give their customers several weeks to pay their bill before late fees or finance charges will be incurred. However, some credit card companies will begin charging late fees and finance charges literally the next day after the due date. You need to read the fine print on your credit card statements and fulfillments you get from your credit card company because they may change their policies and actually move the dates around.

2 Introductory Annual Percentage Rate

We see on television and on the internet advertisements that entice us to start a new credit card with a 0% introductory rate. There are also mailers we get that will allow us to transfer our balances over to a new credit card with a 0% interest rate on the balance transfer. If you are going to do a balance transfer to a 0% card, be sure you closely read the fine print on what happens with new purchases or cash advances. Often, the card issuers that give you this 0% rate will charge the maximum possible interest rate on new purchases or new cash advances. It is very important that you decide in advance whether you will need the card you transfer the balance to for floating new credit. If you take a new credit card with an introductory 0% rate, then be sure to read the fine print on how long the rate will last and what types of purchases it covers.

3 Inactivity or Annual Fees

Since credit is at a premium today, you need to manage your credit cards more closely than ever. If you are inactive with the credit cards that you have, it is likely today that the credit card companies will shrink your overall credit limit. Some of the credit card companies will get sneaky and actually charge you an inactivity fee if you are not careful or do not spend a certain amount on the card. This is true with many new offers put out to consumers today. In addition, you should be clear when you sign up what the annual fees will be. Some cards offer more rewards, benefits, and features that will make the annual fee worthwhile. However, some cards will charge excessive fees without any real particular benefit.

Credit card companies are business. We all know this. Yet, it is only when we open our statements to see extra charges and fees that we get into a fit of rage with a customer service person that really is less than interested in our diatribe on the phone. Make sure you limit the number of credit cards you have in your wallet and read each piece of new mail you get from your credit card company as they send them to share important information with you. Don't get caught with your credit card company sneaking into your wallet!

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