

## Important Terms

**Annual Fee:** A charge for management of your credit card account.

**Annual Percentage Rate (APR):** A yearly rate of interest on charges; can be variable or fixed.

**Billing Cycle:** The time between billing statements, usually 28-31 days.

**Cash Advance Fee:** A charge by the credit card company for using your credit card to obtain cash.

**Credit Limit:** The maximum amount you can charge on your credit card.

**Grace Period:** The interest-free period the credit card company allows between the transaction date of the purchase and the billing date.

**Introductory Rate:** Usually a lower interest rate offered by credit card companies to attract customers, but soon switches to a higher variable or fixed rate.

**Minimum Payment:** The smallest amount you can pay to keep your credit card from going into default.

**Trusted Financial Institution:** A well-known organization that issues credit cards and has a credible reputation as a lender.

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## Did You Know?

- ✕ If you miss a payment on one of your credit cards, you other credit card companies may raise your rate.
- ✕ Having a fixed APR does *not* guarantee that the rate will always remain the same.
- ✕ Cash advances carry a different APR than regular purchases.
- ✕ A direct-mail offer that says you are “pre-approved” does *not* mean that you really are.



Find the best card for you at

[www.studentcredit.com](http://www.studentcredit.com)

[www.credit-land.com](http://www.credit-land.com)

Learn more about credit and managing money at

[www.cccr.psu.edu](http://www.cccr.psu.edu)

[studentcenter.ja.org](http://studentcenter.ja.org)

[www.jumpstart.org/links.cfm](http://www.jumpstart.org/links.cfm)

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## General Information about Credit Cards

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# When you get that first credit card, keep the following tips in mind...

## What to look for when choosing a credit card

- ✕ Backed by a trusted financial institution
- ✕ Low APR
- ✕ No Annual Fees
- ✕ Longer grace period
- ✕ Perks/ Reward Offers



	High Quality Lender	Mr. I've Never Heard of You
APR	9.99%	21.99%
Annual Fee	None	\$35
Grace Period	25 days	5 days
Perks	Rewards Program	None

## Credit Card Do's

- ✕ Compare terms of several credit cards before committing to a particular card.
- ✕ Read the fine print when you make a credit card selection and ask questions if something is unclear.
- ✕ Sign the back of your credit card as soon as you receive it in the mail.
- ✕ Create a monthly budget so you will know what you can and cannot afford.
- ✕ Keep all receipts and check the transactions on each monthly statement.
- ✕ Identify your credit card company's billing cycle and know when to expect to receive your monthly statement.
- ✕ Pay more than your minimum payment each month.
- ✕ Shred any papers that carry your personal information and credit card numbers before you throw them away.
- ✕ Carefully review your credit report annually to make sure it's accurate.
- ✕ Contact your credit card company immediately if your card is lost or stolen.



## Credit Card Don'ts

- ✕ Do not give out personal information over the phone or over email unless you have initiated the contact. Personal information includes your Social Security number, address, bank account number, credit card number, telephone number, and date of birth.
- ✕ Do not write your personal identification number (PIN) on your credit card.
- ✕ Do not charge more than you can afford each month.
- ✕ Do not lend your credit card to others.
- ✕ Do not apply for a credit card just to get the free give-aways.
- ✕ Do not exceed your credit limit.
- ✕ Do not obtain cash advances using your credit card.

