



• **Use your card carefully.**

If you can't afford your purchase in cash, you should not be buying it with a card. And leave plenty of room on your card for emergencies.

• **If you have problems....**

Never go to a "Credit Doctor." Most are scams. And don't file for bankruptcy, as it stays on your record for 10 years. Instead, talk to a non-profit credit counseling service first.

Do You Know the Results of Bad Credit?

- You may have trouble opening a checking account.
- You may have trouble leasing an apartment.
- You will have trouble getting credit to buy furniture, a computer, a car or anything.
- You may have trouble getting a job, as some employers run credit checks.
- You may not be able to rent a car.
- You may not be able to purchase a home.
- When you do get credit, you'll pay much higher interest rates and fees than you would otherwise -- sometimes double what a person with good credit will pay.
- You won't be able to get another credit card.

**The Westchester County
Department of Consumer Protection**

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8:30 a.m. to 5 p.m.

Monday through Friday

Visit our website:

www.westchestergov.com/consumer

Other useful sites:

<http://www.credittalk.com> (from Mastercard)

<http://www.usa.visa.com/personal/student>

**Westchester
County
wants to
contact YOU
in an
emergency**

Give us your
e-mail and/or
cell phone
number, and
sign up at

www.westchestergov.com/cens

In college? Have a credit card?

Learn the
Perils of Credit Cards





If you're in college, you've probably been approached (maybe even hounded!) by credit card companies who want you to sign up. They make it very easy, and if you're like many college students, you may already have a credit card or two or more. What you may not know is that what you do with those credit cards today can affect you for many years. If you're not careful, you could owe thousands of dollars on high-interest credit cards after graduating from school. Or worse, you could find yourself with a bad credit history that will hinder your efforts to buy a car or house or even get a job.

This brochure will help you understand some of the pitfalls of credit cards. They're convenient, yes... but be careful.

*Andrew J. Spano
Westchester County Executive*

Credit Card Terms to Know

Interest Rates: The A.P.R. is the annual percentage rate you will pay on purchases. The periodic rate is what is added on to your bill in interest per billing cycle. For example, if your A.P.R. is 12% and your billing cycle is a month, your periodic rate is 1%. Be aware that rates for cash advances are usually higher than those for purchases.

Free (or "Grace") Period: Most credit cards do not charge you interest from the moment of the transaction if you pay the balance in full before the due date. This is the "grace" period. However, if you do not pay your balance in full by the due date, interest will accrue from the date of transaction. Avoid any credit card that does not have a grace period.

Annual Fees: Issuers often charge an annual membership fee, but some will waive this fee to get your business. Some cards start without a fee, but only for the first year. Often you can call to get this waived permanently.

Transaction Charges: Some issuers charge fees for a cash advance, if you make a late payment, or if you exceed your credit limit. If you don't understand how your balance is calculated, talk to your issuer. An explanation must also appear on your billing statement.

Remember: Information stays in your credit report for 7 years.

Credit Card Tips for College Students

- **Read the fine print.**
The offer on a credit card may say the interest rate (A.P.R.) is 2.9% -- or even lower. But look closely. That may be a temporary rate to entice you to sign up. Check to see what the rate will be in a few months. It might be as high as 18 percent!
- **More is not better.**
College students just need one credit card. It's a bad sign if you max out on your card. If you do, don't get another.
- **Pay your balance in full.**
If you pay in full and on time, you will not have any finance charges. Don't be fooled by the fact that the credit card asks for just a tiny minimum payment. You will pay interest on the balance and may never get your bill down. Pay as much of the bill as you can and make sure you pay by the date required.
- **Don't use your card for cash advances.**
Fees and interest rates are usually very high for these services.
- **Use prepaid Smart Cards.**
Around campus, this is a good way to pay for meals, laundry, vending machines, etc.
- **Don't use credit cards to pay for groceries.**
Likewise, when dining with friends, don't collect cash from them and pay the bill with your credit card. It's you who will pay the interest if you don't pay the balance in full.