

IMPORTANT CREDIT CARD TERMS TO KNOW

Annual Fee: A fee charged to the cardholder by the card issuer. Cardholders pay this fee in order to obtain and keep the credit card.

Finance Charge: The amount of interest charged on the account for a particular billing cycle.

Billing Cycle: Period in time at which payments are due and interest accrues.

Minimum Payment: The smallest amount of money that must be paid by the cardholder for the billing cycle. Paying only the minimum increases your overall debt.

APR: The Annual Percentage Rate of the finance charge. This yearly interest rate is a fixed or variable rate.

Grace Period: The time period during which a cardholder may pay off his or her balance without incurring a finance charge. It is usually no more than 30 days.

Late Payment Fee: A fee charged to a cardholder for being delinquent (late) with their payments.

Debt-to-Income Ratio: The amount of money a person owes in relation to the amount of money a person makes. The formula is the person's debt divided by their gross earnings.

*Contact Attorney Neil Crane Today
for a Free Consultation!*

**DON'T LOSE YOU'RE YOUR
INDEPENDENCE TO DEBT!**

SEEK LEGAL ADVICE!!

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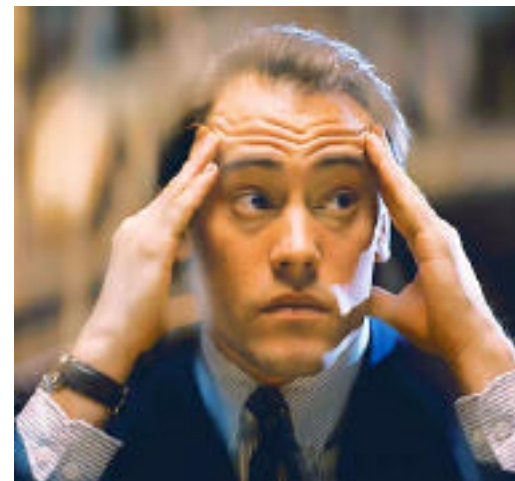
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CREDIT CARD PROBLEMS



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**SPEAK TO AN ATTORNEY
FOR FREE CONSULTATION**

DON'T BECOME A STATISTIC!

The average American household has nearly \$9,200 in credit card debt. Every year, as a result, hundreds of thousands of people in our country are filing for bankruptcy.

DON'T BEGIN YOUR LIFE IN DEBT

Having your own credit card as a teenager may seem exciting, practical, and convenient, but it can also carry significant risks and consequences

One out of every three seniors in high school has their own credit card and often out of control debt.

The average college freshman has \$1585 worth of credit card debt. Further spending and interest rates can cause this debt to quickly multiply, leading to large payments that most students can't afford

GET SMART ABOUT SPENDING

Don't lose your independence to debt! Developing good habits today can put you on the road to financial responsibility for the rest of your life.

PROTECT YOUR FUTURE!

Debt can have serious consequences! Failure to repay on time will result in a bad credit rating.

A bad credit rating can lead to difficulties in many different areas of your life. A bad credit rating can affect your ability to:

- Buy a car
- Rent an apartment
- Buy a home
- Take out a student loan
- Get other credit cards

Debt can also be a huge source of stress for most people, especially young people. It is estimated that nearly 10% of college students drop out due to the stresses of their credit problems

THE REAL COST OF WHAT YOU CHARGE

Credit is the granting of money by a financial institution or retailer in exchange for a promise to repay at some time in the future. Credit allows you to buy now and pay later, but not without consequences. **All credit cards charge interest.**

Let us say you run up \$500 on a credit card that charges 15% interest and requires a 2% minimum payment each month. Even if you never charge another item and pay the minimum on your account, it will take 6 1/2 years to repay your debt. When you have finally paid off your debt, you also will have paid nearly **\$300 in interest** on your \$500 purchase, making your **final cost \$800.**

7 TIPS TO CONTROL YOUR SPENDING

- ✓ Set up, and stick to, a realistic budget.
- ✓ Learn how to balance your accounts.
- ✓ Pay cash as often as possible.
- ✓ Don't impulse buy. Save up for more important and/or expensive items.
- ✓ Try to pay off cards as soon as possible to avoid interest rates and late fees.
- ✓ Reduce the spending limit on your credit card.
- ✓ Not ready for a credit card? Debit cards or prepaid cards can be good alternatives.