

The Credit Card-2010

People beware when using your credit card. On February 1, 2010 a new credit card initiative went into play regarding credit card accounts, credit card annual percentage rates, and credit cards fees. Representatives from some of these companies such as Discover, Chase, and etc will say that President Obama brought these changes on through the bill he introduced. However, the credit card companies are reaping the benefits.

I will include some example about what I'm talking about.

Let take for instances late fee. If your payment is \$39.00 a month and its due on the 29th of the month. Let's say your APR% went up a few points, in turn your payment went up a few dollars. Your automatic payment sends out your payment each month of \$39.00; however your payment is \$41.00. Your credit card company can now charge you \$39.00 more for a \$2.00 oversight. But wait, that's not all, they can also raise your annual percentage rate to 30%

I will enclose an illustration of why credit card companies want you to pay just your minimum payment each month.

Let's say for instance: you owed your credit card company \$2,283.00 and your APR is 18.90%

If you make no additional charges using this card and each month you pay	You will pay off the new balance shown on this statement in about.....	And you will end up paying an estimated total of.....
Only the minimum payment	16 years	\$5,027.00
\$82.00	3 years	\$2,958.00 (savings of \$2,069.00)

I'm not trying to tell you how to use your credit card resources. I'm trying to make you aware, if you are not already aware, of the future ramifications.

Remember, credit card companies can borrow money at the prime rate of **4.75%** and turnaround and loan it to you (credit card) for **22.00%**. **Does the word Usury mean anything to you?**

Bottom-line,

Those who don't understand 'interest' pays it.

Those who understand 'interest' receives it.