



AVOID THE CAMPUS CREDIT TRAP

Are you thinking about filling out one of those easy credit card applications found around campus? Before you do, read this. A free Frisbee, Tshirt, or bottle of soda isn't worth seven years of bad credit, is it?

Credit card companies want your business! While you are a student, they'll let you apply for credit cards without jobs, income or even a cosigner. No other consumers can get cards this way, only college students. So if you take advantage of their special offers, be smart!

If you decide to get a credit card, be sure to:

- ⌘ **Shop Around.** Beware of 'teaser rate deals' that jump way up after a few months
- ⌘ **One Card.** One national credit card is all you need to build a credit record
- ⌘ **Pay Off the Full Balance.** Each month pay off your account in full. If you must carry a balance, always pay more than the minimum or you will never pay down the card.
- ⌘ **Pay on Time.** Late payments will hurt you in three ways: 1) bad credit reports, 2) late payments mean late fees, which can run \$20-\$25, 3) One-two late payments a year can lead to an increase in your interest rate.
- ⌘ **Keep a Low Limit.** Even in your bank 'rewards' you for paying on time by raising your limit, don't take the bait. Keep your balances low!
- ⌘ **Avoid Cash Advances.** The interest rate on advances is at least 2% higher than on purchases and accrues immediately.

Establishing credit while you are attending college is not a bad thing. Just be careful and use credit cards wisely.

For more information check out the Federal Trade Commission or the Federal Reserve Board on the web.