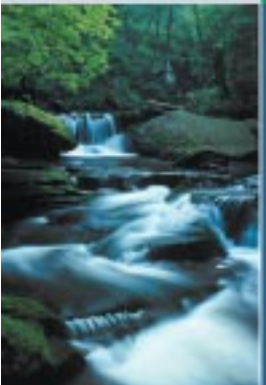


How to Get All the Cheap Credit You Want



Today, the average person pays between 16 and 17 percent on credit card balances. While interest charges may seem low when you look at the monthly charge on your statement, over the long run they can really add up. In fact, the average person can put a hundred bucks or more in his or her wallet just by getting a lower rate on a credit card or two.

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If you're carrying a big balance, you can save even more. Here's how much:

Interest Cost to Pay Off Various Credit Card Balances

Rate	19%	15%	11%
Balance \$1,000	\$2,398	\$1,223	\$595
\$1,500	\$4,298	\$1,956	\$1,018
\$2,000	\$6,198	\$2,789	\$1,441
\$2,500	\$8,098	\$3,622	\$1,864

Total interest charge, with a 2 percent minimum payment.

So what are you waiting for? Following are some strategies that will help you get all of the cheap credit you want.

Just Ask

A survey done a few years ago found that about half of the people who asked their current credit card issuer for a lower rate, got one. Most credit card issuers have many different programs, some of which may carry lower rates. But if you're paying a higher rate they probably won't tell you about the lower ones unless you ask.

Call and tell your card issuer you'd like to remain a customer but you're going to have to leave if you don't get a program with a better rate. Give the customer service person a break and be friendly. If you don't get an immediate "yes," don't let that discourage you. Ask to talk with a supervisor or call back another time. (For this strategy to work, you should be paying your bills on time each month.) You might want to sweeten the pot by offering to transfer balances from another card.

Go Fishing

There are some 20,000 credit card programs available today. With that many, you should be able to find at least one that will offer you a good deal. A couple of sources you may want to try: cardtrak.com and bankrate.com. It can be confusing to sort through so many different programs, but it can be well worth it. If you're confused about whether to choose a low fixed or low variable rate, keep this tidbit

in mind: in most cases, a credit card issuer can raise the rate on a fixed card as long as you're given 15 days advance notice. So that means a fixed rate may not necessarily be better if interest rates in the economy go up!

Open The Mail

You're flooded with credit card offers, right? While some may well qualify for the "junk mail" category, occasionally there are a few gems. Look for a low introductory rate that applies to balance transfers until they are paid off, convenience checks that offer a good rate without a high fee or simply a straightforward low rate. If you're considering a card with a low introductory rate that's only good for a few months, make sure that the "permanent" rate is also attractive or you'll be scrambling to find a new card in a few months.

One more thing to watch out for: due to recent changes in the law, "pre-approved" credit card offers aren't always what they seem.

If you respond to one of these offers, the issuer can create a secret list of additional qualifications that can be considered before it actually gives you a card. So, if you say "yes" to a pre-approved offer, you may still be turned down based on those other criteria. Essentially, this means that "pre-approved" is really just pre-selected, not pre-approved.

Improve Your Score

You'll have the best chance of qualifying for the credit you want if you have a good credit score. Credit scores are simply a way that

lenders evaluate applications.

While every lender is different, there are generally some things you can do to improve your score: close accounts you don't use; make sure you have at least a couple of major credit cards paid on time for the last 18 months or more; submit no more than four or five credit applications in any six-month period and avoid late payments or other negative information.

More information about improving your credit score can be found in publications available on our Web site at Myvesta.org.

Consolidate

You may be able to lower your costs by consolidating some or all of your debt. For example, you may be able to transfer more expensive credit card balances to your cards that have cheaper rates. Or, you may find that a home equity loan or a margin loan against your investments offers a better rate than you're currently paying. Other options can include loans against retirement plans or life insurance policies. Be very, very careful here. Many people fall into the trap of consolidating their debts and then running up new balances.

This strategy will only work if you are committed to paying off your debts as quickly as possible. So don't blow it. Make sure you have good control of your spending, and a written plan for becoming debt-free in three to five years. Myvesta.org offers a tool that can help you. Our Debt Eliminator® provides a detailed plan to get out of debt as quickly as possible without raising your monthly payments. Order your custom Debt Eliminator Report online at Myvesta.org.

If You're Turned Down for a Low-Rate Card ...

First, realize you're in good company. Most issuers turn down at least 50 percent of new applications, and the rejection rate for some with rock-bottom rates can be much higher

— even 90 percent. Now that you're feeling a little better, take a good hard look at that rejection letter. Do you understand the reasons listed for turning you down? Are they clear? Do they apply? If not, call the credit card company and ask for a clear, specific explanation. That way, you'll know what you need to do to improve your credit before you apply again.

If you have been turned down, get a copy of your credit report. It's free if you ask for it promptly. And it's very important to check to make sure it's accurate and up-to-date. Information about how to order it will be listed on the denial letter. You can also order a consolidated credit report, containing information from all three credit bureaus, at Myvesta.org online.

About Myvesta...

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