

For Immediate Release

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### **Six Factors That Matter When Comparing Credit Card Offers**

**WASHINGTON, August 27, 2008 . . .** Navigating credit card offers can seem more challenging than navigating a new campus. If you are thinking about getting a credit card, some comparison shopping and an understanding of important terms can go a long way toward helping you find the card that best meets your needs, says the American Financial Services Association Education Foundation (AFSAEF).

“A common mistake is for students to make impulsive decisions about credit cards” says Susie Irvine, AFSAEF President & CEO. “They sign up for them based upon the giveaways, without considering the responsibility that comes with using a card.”

“It’s important to compare at least three credit card offers and read all disclosures and documentation before making your choice,” she says.

AFSAEF outlines six key credit card terms college students should consider when comparing offers:

- **Annual fee.** A membership fee for use of the card that’s paid once a year. Some credit cards have no annual fees. Many people with good credit histories will be offered a credit card with no annual fee. However, reward cards may have annual fees, regardless of an individual’s credit history.
- **APR (or annual percentage rate).** A measure of the cost of credit expressed as a yearly rate. Your APR might change depending on your payment history or other factors. Always check your rate on your monthly statement.
- **Grace period.** A free period between the time a charge is made and the time the finance charge is added to the balance.
- **Cash advance.** Cash borrowed against a line of credit provided by a credit card company for the amount of cash obtained. Cash advances usually have a higher interest rate than regular charges on a credit card and carry no grace period.
- **Credit limit or line of credit.** The total amount of credit available to you on the credit card.
- **Other fees.** You may be charged a fee if you use your credit card for a cash advance, pay late, or exceed your credit limit. Some of these fees can be significant, so it is important to read the fine print in your card agreement.

For a more detailed explanation of the application process and a worksheet for comparing offers, check out the AFSAEF’s free brochure, “*Understanding Credit Cards*” [here](#).

Based in Washington, D.C., the AFSA Education Foundation’s ([www.afsaef.org](http://www.afsaef.org)) mission is to help consumers realize the benefits of responsible money management, understand the credit process and seek help if credit problems occur. It is affiliated with the American Financial Services Association (AFSA), the national trade association for the consumer credit industry, protecting access to credit and consumer choice.