



Decode Credit Card Offers to Avoid Costly Surprises

National nonprofit credit counseling agency Take Charge America helps consumers navigate tricky terminology and fine print

PHOENIX – (Oct. 8, 2019) – Credit card offers can be chock-full of confusing lingo. But the meaning behind terms like APR and variable interest rate can reveal whether a credit card actually makes sense for your personal finances.

“A good rule of thumb? The fine print often matters more than flashy bold print,” said Michael Sullivan, a personal financial consultant with Take Charge America, a [national nonprofit credit counseling and debt management agency](#). “Understanding what these terms and conditions mean – and how they affect your personal financial circumstances – can help you make better purchasing decisions and avoid unexpected costs later on.”

Sullivan demystifies common aspects of credit card offers:

- **Introductory vs. Ongoing Offers** – 0% APR can feel like striking gold. But be aware: many cards offer a 0% teaser rate that expires after six to 18 months. Look for the standard rate, too. The standard rate kicks in after the teaser rate expires and, therefore, has a bigger impact on your long-term finances.
- **Variable vs. Fixed Interest Rates** – All credit cards offer either a variable or fixed interest rate. Variable interest rates are tied to the Prime Rate, meaning they change according to market performance. In contrast, a fixed rate generally remains the same and provides more predictability. These interest rates apply to any overdue balance carried past the grace period.
- **Fees** – Some credit cards are accompanied by various fees, including annual fees, balance transfer fees or late payment fees. Note that not all cards come with fees, and some come with more than others. You’ll want to review the credit card’s fine print to know what fees apply, and when.
- **Rewards** – Many cards come with perks, such as travel or gas rebates, or even cash back benefits. The terms will say whether specific purchases are only eligible, or if the rewards kick in after you’ve spent a certain amount on the card. While rewards may be tempting, they shouldn’t drive your decision – especially if they lead you to spending more than what you can afford.

All-in-all, taking time to understand a card’s terms and conditions can prevent surprise fees or unexpected rate increases – and lead you to a card that ultimately supports your financial goals and circumstances.

Have more questions about credit cards or credit card management? Visit Take Charge America's [Financial Education Center](#) or take a [free online debt review](#).

About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped nearly 2 million consumers nationwide manage their personal finances and debts. To learn more, visit www.takechargeamerica.org or call (888) 822-9193.

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