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Writer/Source: Michael Rupured (706) 583-0054 (mrupured@uga.edu)

Don't pick a credit card based on the free gift

**By Michael Rupured
University of Georgia**

As with most business deals, there are good and bad credit card offers for today's consumers. Just be sure you don't sign up for a credit card just because you want the free alarm clock. That free clock could cost way more than you'd think.

Credit card solicitations are aimed at many different groups of people. Many are legitimate and just what you're looking for.

Unfortunately, some that are targeted to people with bad credit aren't very good deals. Victims may focus on a free gift rather than the credit terms.

These solicitations may target college students and people with credit problems, but everyone is vulnerable.

Credit card solicitations can take on an abusive nature in a number of ways. Some come in your mailbox and look like a utility bill. They're marked with the word "INVOICE" across the top. But very small print at the bottom reads, "This is a solicitation."

Sometimes people set up shop in high-traffic areas on college campuses or shopping malls and hawk

credit cards. With most of these, people sign up for a credit card and end up with very high interest rates and unusual fees and charges.

Some solicitations advertise a low interest rate and high credit limit. However, few people will actually qualify for this rate or the high credit limit.

Does paying more than \$200 in fees for a credit card with a \$19 credit limit sound like a good deal to you? Some "prepay" credit cards actually offer "deals" like this.

As more people suffer from damaged credit, some credit card companies and banks are becoming more creative with ways to make a profit from their despair.

People with damaged credit who would otherwise be unable to get a credit card can now prove their willingness to pay through the use of a prepay card. At least, that's the idea behind these cards.

In actuality, the prepay cards come with sometimes hard-to-understand setup fees, application fees, acceptance fees, annual fees and monthly fees.

If a consumer with poor credit has \$300 to put toward a prepay credit

card, he may have only \$20 left to spend after paying all the fees.

Many consumers may not understand that there are better options out there. By simply shopping around, they could find a card that gives them a true line of credit, rather than a pre-paid card.

If your goal is to reestablish your credit, a secured card is probably your best choice. The fees and interest rates tend to be lower on some secured cards than on the unsecured cards that are targeted to the damaged-credit consumer.

Remember, no matter what card you choose, the idea is to build a better credit history. Stick to small purchases you can afford to pay off each month.

As with all business transactions, don't make a hasty decision. Shop around and always read the fine print. And remember that the best deals probably aren't the ones that come to you. They're the ones you have to seek out.

(Michael Rupured is an Extension Service financial management specialist with the University of Georgia College of Family and Consumer Sciences.)