How to Get Low Interest Rates on Credit Cards
Take Charge America Offers Tips on Effective Credit Card Use

PHOENIX – (Oct. 4, 2011) – There are many factors that go into determining credit card interest rates. Some are outside the consumer’s control – such as inflation levels and borrower demand – yet others are within a consumer’s control, such as their spending habits.

According to CreditCards.com, the average annual percentage rate (APR) on new credit cards hit a record high this September at 14.96 percent. Those with bad credit are averaging 24.96 percent.

“A percentage point or two may not seem like a big deal, but the slightest increase can add hundreds or even thousands of dollars to your total balance,” said Mike Sullivan, director of education for Take Charge America, a national non-profit credit counseling agency in Phoenix. “It’s the difference between living paycheck-to-paycheck, and having the ability to save.”

Sullivan says consumers can take steps to obtain manageable interest rates. He offers the following tips:

- **Do Your Research** – All credit cards are not all alike. Shop around for the best interest rate from the very start. Websites like CreditCards.com or Bankrate.com can help you compare rates.

- **Read the Fine Print** – The advertised interest rate isn’t necessarily the long-term interest rate. Creditors can offer low introductory rates for six months. Read the fine print to determine whether the rate will increase after a specified time period. It’s also a good idea to steer clear of variable rate credit cards, which move up and down.

- **Be Cautious of Balance Transfers** – Some creditors offer low interest rates when you transfer balances from others cards; however, that low rate may not apply to new purchases, and there may be fees to transfer the money. Additionally, your rate may skyrocket if you fail to pay off the balance transfer during a specified time period. Avoid balance transfers unless you’re certain you can pay off the balance in a timely manner.

- **Don’t Fall for Gimmicks** – Choose a card with a low interest rate over a complex rewards or point system. Freebies aren’t typically available until you’ve spent thousands of dollars.

- **Focus on Paying Down Debt** – If you have a lot of debt, creditors are less likely to give you a good rate. Make it a priority to pay off credit card balances, starting with the card carrying the highest interest rate.

- **Limit Your Credit Use** – Acquiring multiple credit cards increases the chances you’ll collect more debt. Limit credit card purchases to emergencies. If you don’t carry a balance, make an occasional purchase to ensure the account remains active, yet always make an effort to pay off the charges monthly.

- **Pay On Time** – One late payment can trigger an interest rate increase. If needed, keep a calendar of payment due dates or set up automatic bill pay.

- **Avoid Convenience Checks and Cash Withdrawals** – “Perks” enabling your credit card to function like a checking account can be extremely costly, as they’re generally accompanied by hefty fees and rate increase. The convenience isn’t worth the cost.

For more financial tips, visit [www.takechargeamerica.org](http://www.takechargeamerica.org).
About Take Charge America, Inc.

Take Charge America, Inc., a non-profit financial education, credit counseling and debt management agency, is dedicated to helping consumers nationwide improve their financial futures. It partners with creditors, credit unions, employers, government groups and educational institutions to reach different segments of the population experiencing a variety of financial challenges. Since its founding in 1987, the company has grown from three to nearly 400 employees. It has helped more than 1.6 million consumers nationwide manage their personal finances and debts. For more information on Take Charge America, visit www.takechargeamerica.org or call (888) 822-9193.

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