

**DIRK KEMPTHORNE**  
GOVERNOR



**GAVIN M. GEE**  
DIRECTOR

**STATE OF IDAHO**  
**DEPARTMENT OF FINANCE**  
700 W. STATE STREET, 2ND FLOOR  
P.O. BOX 83720  
BOISE, IDAHO 83720-0031  
Website: [finance.state.id.us](http://finance.state.id.us)

**CONTACT:**  
Mary Hughes, Bureau Chief  
Consumer Finance Bureau  
(208) 332-8060

## **NEWS RELEASE**

For Immediate Release

March 4, 2002

### **DEPARTMENT OF FINANCE PROVIDES TIPS FOR CHOOSING THE RIGHT TYPE OF CREDIT CARD**

Boise, Idaho... For most of us, using credit cards has become a way of life: They are convenient and provide some measure of security should an emergency arise. However, they can also be an expensive trap for the unwary. The Idaho Department of Finance wants to help you figure out what features you should look for, and avoid, when shopping for a credit card.

To find a card that best suits your individual needs, Gavin Gee, Director of the Idaho Department of Finance, encourages consumers to first familiarize themselves with the basic financial terms used in credit card offers. One good resource for this, according to Gee, is the Federal Trade Commission's website ([www.ftc.gov](http://www.ftc.gov) or link from the Department's website [finance.state.id.us](http://finance.state.id.us)) which offers numerous consumer pamphlets on choosing and using credit.

Next, Gee suggests, think about how you will use this credit card. Will you pay the balance in full each month? If so, look for a low or no annual fee card.

Also, make sure the card issuer allows a "grace period" – that is, an adequate

Banks & Savings Banks (208) 332-8005  
Credit Unions (208) 332-8003  
Securities (208) 332-8004  
Money Transmitters (208) 332-8004

PHONE: (208) 332-8000  
FAX: (208) 332-8098  
Director's Fax: (208) 332-8097  
Securities Fax: (208) 332-8099

Supporting Services (208) 332-8001  
Mortgage Companies (208) 332-8002  
Finance Companies (208) 332-8002  
Collection Agencies (208) 332-8002

**EQUAL OPPORTUNITY EMPLOYER**

period of time between the date you use the card or that a transaction is posted to your account and the date finance charges begin to accrue.

If you will be paying off the balance over time, know what the annual percentage rate or "APR" is and how the issuer will calculate your finance charge. The APR measures the cost of credit as a yearly interest rate including interest, finance charges and other charges. However, this rate may actually be higher depending on the method the issuer uses to calculate the finance charge. The best method for consumers is the "adjusted balance" calculation since it takes into account payments and credits received during the billing cycle but not new purchases.

Finally, review the small print so you know what other fees the issuer imposes. There are often fees for late payments, going over your credit limit and cash advances. A careful reading of the card agreement is especially important when considering those "low introductory rate" offers. Fees are often imposed for transferring a balance from another credit card, and the interest rate may spike immediately if a payment is late.

For more tips on becoming credit savvy contact the Department at (208) 332-8004 or toll free within Idaho at 888-346-3378.

# # # # #

Department of Finance press releases and other information can be found on the Internet via the worldwide web at <http://finance.state.id.us> or may be obtained by contacting the Department at (208) 332-8004 or Idaho toll-free at 1-888-346-3378.