



A Credit Check for Credit Cards

When you apply for a credit card you are required to fill out a credit history. The analysis of “credit worthiness” can be a two-way street, however. As a credit consumer, ask the following questions:

- What is the annual percentage rate, and if it is adjustable, what index is used?
- When do finance charges begin to accrue?
- Can I transfer balances from another card for free?
- If I use “credit access checks,” when do finance charges begin accruing and are there any extra fees for their use?
- Are there extra charges if I use the card at an automated teller machine (ATM)?
- What is the annual fee, and will it be waived under certain conditions?
- If I already have a credit line with a particular lender, will they lower the finance charge?
- Does the lender have other programs available (a gold credit card, for instance) that offer a better rate or lower fees?
- If the lender is offering special incentives (for example, buyer protection insurance or credit toward other purchases, cars, or travel), will I really benefit from them?

Once you have all the answers, you can determine if a card issuer is “credit-worthy” for your financial lifestyle and circumstances.

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