

January 2010 Newsletter Article

The Credit Card Aftermath of the Holiday Season

Many of us rely on credit cards or merchant accounts for our Holiday Season gifts but we sometimes underestimate its potential impact. Possibly borrower's remorse, or after receiving a credit card or merchant account bill.

Here are a few credit card and merchant account bill payment tips to help you start the year off right:

1. **Make a payment on the bill every 14th calander day.** Most credit card and merchant accounts are set to a 28-day billing cycle. By paying the bill every 14th calendar day you can dramatically reduce the total amount of interest due and therefore pay down the account sooner. (Ex. If your monthly payment is 50.00, pay 25.00 every 14th calendar day).
2. **Do not close a credit card or merchant account with an open balance.** Doing this may actually reduce your credit score. Always pay a credit card or merchant account in full before closing the account.
3. **The obvious "Do" -- Do try and use additional funds to pay down a credit card or merchant debt.** Starting in February 2010, some sub-prime credit card companies are raising rates up to 79.99% APR. (First Premier will be the first).
4. **The obvious "Don't" -- Don't miss scheduled payments.** Most credit card companies, with the help of the "Big Three" (Experian, Equifax, TransUnion), monitor your bill-pay you have with other credit card companies. If you are late with one, you may be opening yourself up to an interest rate increase from the others.

By following these tips, you can be sure to start the New Year off right.