

January 2011 Newsletter Article  
**Credit Coach Playbook # 5:**  
**The Sand Trap**

Buy now, pay later. Some merchants extend the offer of getting your items now and putting the charges on your credit card in the future (sometimes referred to as the "Bill Me Later" option). Sounds good, right? Wrong. As your credit Coach, we must warn you about this sand trap.

Besides the fact that this practice often entices you to buy more than you really can afford, it also puts your FICO Score at risk. Your credit card balance may be higher at the time you are finally billed for the item.

Billing your card at a later date can cause you to go over your credit limit, and over extended credit cards will drop your FICO Score. Going over your cards limit also causes an over the limit fee to be imposed on your bill. This in turn increases your minimum payment, which you must remember to send in the extra fees to avoid risking a 30 day late for short payment.

Your credit card is not going to offer you any mulligan's (do-over's). It is important to condition yourself to play the game, even if it means waiting a few months to purchase those new golf clubs!

Offensive Tip: Make a record of your credit card numbers, their expiration dates, and the telephone number for each credit card company in case of an emergency, such as reporting lost or stolen credit cards. It is a wise strategy!