



Controlling Credit Card Debt

by John Addison

(NAPSA)—If you want to make those “zero-interest” credit cards really pay off, be sure to read the fine print on your bill.

You might find out that being late with just one payment could



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make your interest increase by as much as 41 percent. Plus, many of these zero-interest cards have shorter grace periods, making it harder to make payments on time.

Some card companies even consider a payment late if it does not arrive by a certain time on the due date.

So what's a consumer to do? Try these tips for managing credit card debt.

Stay Within Your Means

Forty-three percent of American families spend more than they earn—about \$1.22 for each \$1.00 they bring home. If you can't pay the balance of your card off each month, you are spending too much. Develop a budget and try to find ways to cut back.

Pay Bills Automatically

Set up an online bill pay with your bank or have your lender automatically withdraw at least the minimum due by the due date and time. In fact, you may want to handle all your bills this way. Something called “universal default” lets credit card companies raise your rate if you are late paying a bill to another company.

Pay By Phone

If your due date is less than five days away, you can contact your lender and pay your bills by phone. You might incur a \$15 fee for a phone payment, but it's a lot

less than what you might pay in punitive interest if you're late with payment.

Don't Go Over The Limit

Keep a vigilant eye on your balance. Also, remember that using more than 30 percent of your credit limit could damage your credit score.

Get Noisy

If you're charged a late fee, contact your lender and protest. Many will remove the fee (at least once) for longtime customers who typically pay on time. You can also request a reduction on the punitive interest rate.

Consider Consolidation

Most credit card debt is “revolving debt,” meaning that it can be difficult to calculate when a balance will be paid off. An installment loan may be easier to manage. It schedules payments at a fixed rate for a certain amount of time. The loan can make it simple to tell how much you owe and when your debt will be gone. Even if you set the loan up with an interest rate and monthly payment amount that are similar to your current cards, odds are the loan will be paid off sooner.

The guidance of a financial professional can often be helpful when managing credit card debt. For example, the financial professionals at Primerica have created a guide that shows you how to take control of your financial life. To get a copy of “How Money Works,” write to Primerica, 3120 Breckinridge Blvd., Duluth, GA 30099, ATTN: Corporate Relations, or call (770) 564-6329. For more information, visit www.primerica.com.

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