

## SHOP AROUND FOR YOUR CREDIT CARD!



### TIPS:

- 1 Keep an eye on interest rates; department store rates tend to be high.
- 2 Check if there are any annual fees.
- 3 Some cards offer lower rates to students.
- 4 Some cards offer client rewards.\*
- 5 If you are offered insurance, check how much it costs and whether you really need it.

\* ACCUMULATING REWARDS IS GREAT, BUT IT'S NOT WORTH IT IF YOU HAVE TO PAY HIGH INTEREST ON YOUR CREDIT CARD BALANCE!

### WILL YOUR CREDIT APPLICATION BE APPROVED?

- Is your credit application complete and correctly filled out?
- Do you have a good client record with the financial institution to which you are applying?
- Is your credit report up to date and free of errors?



### QUESTIONS?

Visit  
[www.tesaffaires.com](http://www.tesaffaires.com)

Call AMF's Information Center  
1 877 525-0337



## MY FIRST CREDIT CARD I'M TAKING CHARGE!



### WHAT ARE THE **BENEFITS** AND **RISKS** ASSOCIATED WITH YOUR CREDIT CARD?

Allows you to **BUILD A CREDIT HISTORY**.

Handy for making **ON-LINE PURCHASES**.

Often accepted **AROUND THE WORLD**.

Can **AFFECT YOUR CREDIT RATING** if you pay your bill late.

Might **ENCOURAGE YOU TO SPEND** more than you intended.

Can be **EXPENSIVE** if you spread out your payments.

### DID YOU KNOW?

Most credit card companies require that the primary account holder be at least **18 YEARS OF AGE**.

### HOW TO OBTAIN A CREDIT CARD?

Having a credit card means that a financial institution is lending you money. You must contact a financial institution to obtain credit. Certain merchants also offer credit cards (department stores, for example).

In all cases, you must fill out a form (on-line or in writing) and submit your application to the financial institution.

SHOP AROUND for your credit card to get the **BEST RATES** and **BENEFITS!**

## HOW DOES YOUR CREDIT CARD WORK?

Each purchase made using your credit card is charged to your account. You must make your payment before the due date indicated on your statement. To maintain a good credit record, it is important to respect this due date.

TRANSACTION DATE	TRANSACTION NO.	DESCRIPTION	AMOUNT
2011-02-02	001	GAS	\$50.00
2011-02-15	002	GROCERIES	\$125.78
2011-02-17	003	ELECTRONICS	\$1,250.78
			<b>TOTAL: \$1,426.56</b>

## HOW TO PAY YOUR BILL?



### SEVERAL PAYMENT OPTIONS ARE AVAILABLE:

- > On-line
- > Via mobile phone
- > By mail

### BEFORE CHOOSING A PAYMENT OPTION, FIND OUT ABOUT TIME DELAYS:

- > Due to weekends or statutory holidays
- > For transfers between your financial institution and the credit card company
- > With the postal system

THE DUE DATE INDICATED ON YOUR STATEMENT MUST BE OBSERVED.

### DID YOU KNOW?

YOU HAVE 21 DAYS TO PAY FOR NEW PURCHASES ON YOUR CREDIT CARD.

If you do not pay your balance in full, you must pay interest charges on the full amount of your purchases.

## YOUR CREDIT REPORT AND YOUR RESPONSIBILITIES

Do you have a MOBILE PHONE?

A bank ACCOUNT?

There is probably a CREDIT REPORT UNDER YOUR NAME at a credit-reporting agency.

This report contains all your payment and credit-usage habits. This information is generally kept on file for seven years. It's your financial report card!

You may obtain your credit report free of charge by contacting Equifax or TransUnion.

If you have a bad credit record (late payments, non-payments), you will have difficulty obtaining any form of loan (car loan, line of credit or credit card). You may also have a hard time to find an apartment or even a job.

It's important to maintain a good credit record and to meet your payment deadlines, including on your credit card.



## HOW SHOULD YOU MANAGE YOUR CARD?

SELECT THE BEST ANSWER!

<b>A</b>	By making sure you pay your bill in full by the due date.	<b>B</b>	By at least making the minimum payment each month.
<b>C</b>	By paying the full balance as often as possible.	<b>D</b>	By not reaching your credit limit.

Best answer: A.

## ARE YOU EXCEEDING YOUR LIMIT?



Choose a credit limit you're comfortable with and will be able to pay.

**NOTE:** If you exceed your assigned credit limit, you may be required to pay service fees. Also, your credit record will be affected. Carefully monitor the charges on your credit card.

## WILL YOU PAY INTEREST?

**NO**

Have you paid in full for all the purchases you made during the month by the due date indicated on your statement?

You will not pay any interest charges.

**YES**

Have you only paid a portion of your total purchases, or have you made the minimum payment?

You will have to pay interest charges calculated as of the date of your purchases.

**YES**

Did you withdraw cash on your credit card?

You will have to pay a cash advance fee and interest charges calculated as of the date of the cash withdrawal.

### DID YOU KNOW?

If your card is stolen or you lose it, you must immediately notify the credit card company. However, your responsibility is limited to \$50.

Source: Consumer Protection Act

## EXAMPLE: PURCHASE OF A LAPTOP

COST: \$800

INTEREST RATE: 18%

Visit [Tesaaffaires.com](http://Tesaaffaires.com) to calculate other options.



	YOU PAY THE FULL BALANCE UPON RECEIPT OF THE BILL	YOU PAY \$50 EACH MONTH	YOU MAKE THE MINIMUM PAYMENTS (\$10 OR 3% OF THE BALANCE, WHICHEVER THE GREATER)
PAYMENT PERIOD:	21 DAYS MAXIMUM	1 YEAR, 7 MONTHS	8 YEARS, 9 MONTHS
TOTAL COST:	\$800	\$921.72	\$1,399.06

If you do not pay the full balance within the 21-day period, you will pay interest on \$800 starting on the date of the purchase.

## RECOGNIZE THE WARNING SIGNS

DOES THIS SOUND FAMILIAR?

You spend impulsively.

You receive overdue notices.

You have difficulty paying the minimum balance on your card.

You do not know how you are going to repay your loans.

You transfer your debts from one credit card to another.

### IF SO,

consult an *Association coopérative d'économie familiale* (ACEF), a *Service budgétaire populaire* or a *Carrefour jeunesse emploi* (CJE).