Credit Card Terms

**Annual Fee:** This is money that you have to pay every year for using a credit card. It could be

$0, or it could be $250+. It just depends on the card you get.

**Application Fee:** This is a fee you may have to pay to apply for a card. This is mostly for cards with extensive rewards programs, and it is used to cover the time and money spent checking your credit.

**APR:** This is the annual percentage rate, or the amount of interest that is charged on a balance over the course of a year. If you pay back your balance within a certain time frame (usually 25-30 days), you can avoid this charge. Since this is an annual rate, it represents the interest paid in all the months combined. To calculate the interest for an individual time frame, simply divide your rate by the number of days or months in question. (A monthly percentage rate would be approximately 1/12 of the APR)

**Balance transfer Fee:** This is a fee you pay if you move the balance of your card to another card. Most people will do this to combine the debt from several cards into one, thereby having fewer bills to pay. In most cases, this is 1-3% of the balance.

**Cash Advance Fee:** This is a fee that you have to pay when you withdraw money from the card at an ATM. It is usually around 2% of the money withdrawn.

**Decline Fee:** This fee is charged to your account when you try to make a payment on something you do not have the money for. It is similar to the return check fee a bank may charge if a check bounces on your account. It can be as much as $35, but some credit cards will not ask for this.

**Foreign Transaction Fee:** This fee shows up when you buy something overseas. It is used to cover the cost of transferring your money into foreign currency. Not all credit cards have this.

**Late Fee:** This is a fee charged to you in the event that you do not make your payments on time. It is usually $10-$25, and it will be considered part of your minimum credit card payment.

**Over-the-limit Fee:** This is a charge for times when you go over your maximum credit card limit.

If your account has only been approved for $750, a balance of $800 would lead to an over-the-limit fee. This will vary in value by credit card, but most of the time it is around $30.

**Some cards offer one specific kind of reward, and others offer a variety of rewards throughout the year. Common reward offers include:**

**Cash Back:** This is money that you get back after buying certain things on your card. It will usually be 1-5% of the purchase price, and it can be used on new purchases once you pay off your balance.

**Gas Rewards:** These will give you money back for purchases you make at a gas station.

**Air Miles:** These are usually tracked as points that you can cash in for airline tickets in the future.

Each ticket will hold a certain point value (usually in the hundreds), so you have to rack up a lot of them to be able to get a free plane ticket.

**Travel Rewards:** These are similar to air miles, but they cover hotel fees, cruises, and more. You might be able to use your points on package deals through your credit card company, or you could cash them in for a specific hotel, rental car, airplane, etc.

Credit Card Comparison Activity

[Capital One Venture Rewards Card](http://www.capitalone.com/credit-cards/travel-and-miles/?Log=1&EventType=Link&ComponentType=T&LOB=MTS%3A%3ALCTMMQC4S&PageName=Credit+Cards+Home&PortletLocation=4%3B16-col%3B2-1-1-1&ComponentName=new-travel-rewards-card-cchp%3B9&ContentElement=1%3BTravel+Rewards&TargetLob=MTS%3A%3ALCTMMQC4S&TargetPageName=travel+and+miles&referer=https%3A%2F%2Fwww.capitalone.com%2Fcredit-cards)

\*also need to click on card details (and View Full Rates and Disclosures

|  |  |
| --- | --- |
| Type of credit needed (excellent, good, fair?) |  |
| Introductory Interest Rate/No. of months |  |
| Interest Rate |  |
| Annual Fee |  |
| Balance Transfer Fee |  |
| Balance Transfer APR |  |
| Cash Advance Fee |  |
| Late Payment Fee |  |
| Over the Credit Limit Fee |  |
| Type of Rewards |  |
| How many miles do you get per expenditure? |  |
| If your plane ticket costs $200, how much money do you need to spend on your credit card to cover the cost? |  |

[Bank of Americard Cash Rewards Credit Card](https://www.bankofamerica.com/credit-cards/products/cash-back-credit-card.go)

|  |  |
| --- | --- |
| Type of credit needed (excellent, good, fair?) |  |
| Introductory Interest Rate/No. of months |  |
| Interest Rate |  |
| Annual Fee |  |
| Balance Transfer Fee |  |
| Balance Transfer APR |  |
| Cash Advance Fee |  |
| Late Payment Fee |  |
| Over the Credit Limit Fee |  |
| Type of Rewards |  |
| How much cash back do you get per expenditure? (Please note the time period in which you need to spend the money.) |  |
| How long does it take to earn $200? |  |

Your Choice: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

|  |  |
| --- | --- |
| Type of credit needed (excellent, good, fair?) |  |
| Introductory Interest Rate/No. of months |  |
| Interest Rate |  |
| Annual Fee |  |
| Balance Transfer Fee |  |
| Balance Transfer APR |  |
| Cash Advance Fee |  |
| Late Payment Fee |  |
| Over the Credit Limit Fee |  |
| Type of Rewards |  |
| How much can you earn over time? (include any/all stipulations including time and how much you need to spend) |  |

In your opinion, which card is the best, why? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

What are common issues with all of these cards? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_