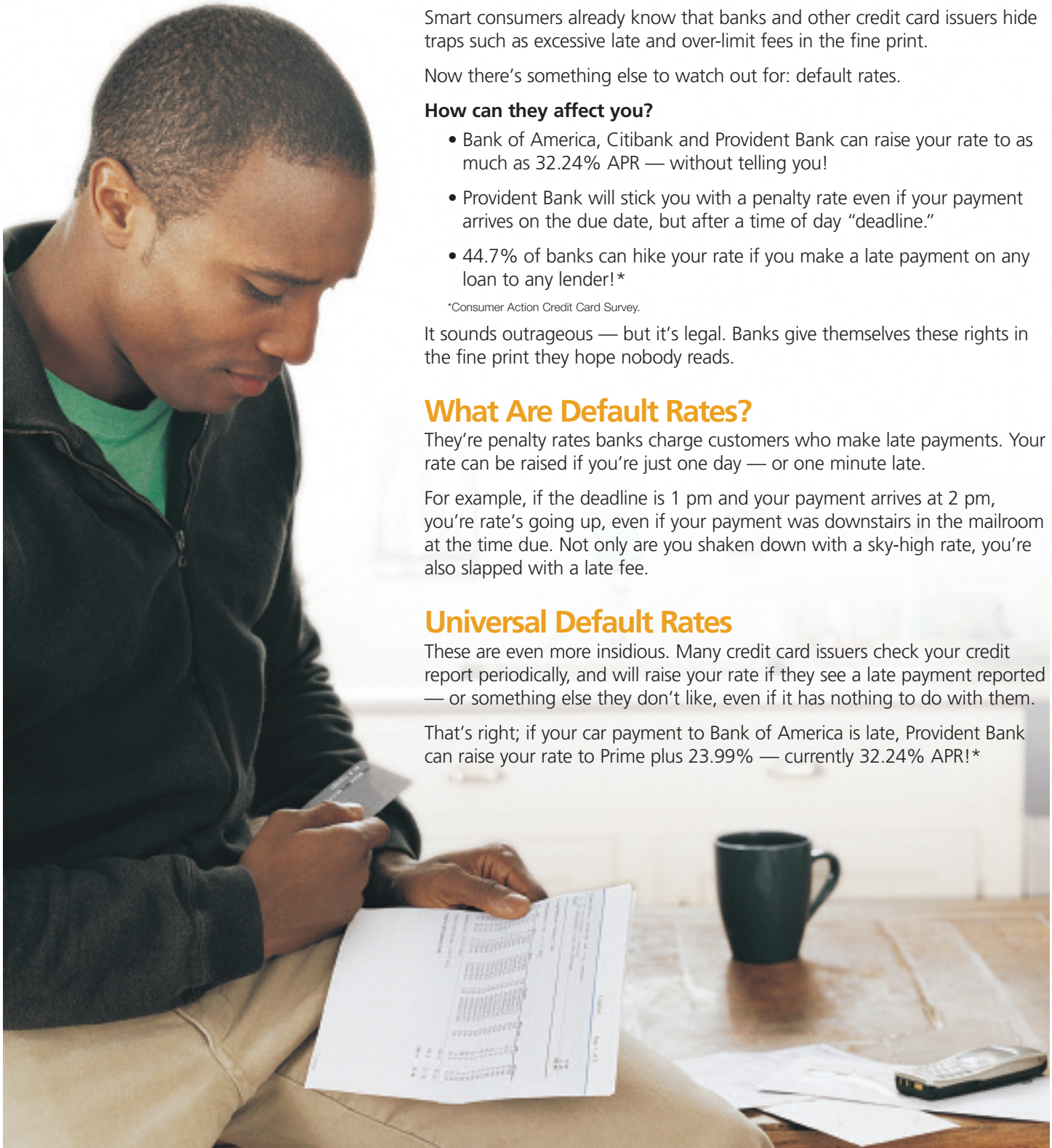


# Bank Credit Cards — License To Steal?



Smart consumers already know that banks and other credit card issuers hide traps such as excessive late and over-limit fees in the fine print.

Now there's something else to watch out for: default rates.

## How can they affect you?

- Bank of America, Citibank and Provident Bank can raise your rate to as much as 32.24% APR — without telling you!
- Provident Bank will stick you with a penalty rate even if your payment arrives on the due date, but after a time of day “deadline.”
- 44.7% of banks can hike your rate if you make a late payment on any loan to any lender!\*

\*Consumer Action Credit Card Survey.

It sounds outrageous — but it's legal. Banks give themselves these rights in the fine print they hope nobody reads.

## What Are Default Rates?

They're penalty rates banks charge customers who make late payments. Your rate can be raised if you're just one day — or one minute late.

For example, if the deadline is 1 pm and your payment arrives at 2 pm, you're rate's going up, even if your payment was downstairs in the mailroom at the time due. Not only are you shaken down with a sky-high rate, you're also slapped with a late fee.

## Universal Default Rates

These are even more insidious. Many credit card issuers check your credit report periodically, and will raise your rate if they see a late payment reported — or something else they don't like, even if it has nothing to do with them.

That's right; if your car payment to Bank of America is late, Provident Bank can raise your rate to Prime plus 23.99% — currently 32.24% APR!\*

