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## **DEPARTMENT OF CONSUMER AFFAIRS ISSUES 8 TIPS TO GET THE MOST OUT OF YOUR CREDIT CARD AND AVOID DEBT**

Credit cards are convenient as they allow you to make purchases without carrying cash, most businesses accept them and you can often earn points and rewards with them while building your credit history. But unfortunately, many people find themselves in debt because it's easy to use a credit card without noticing how much is being spent until the bill arrives in the mail. The Department of Consumer Affairs (DCA) offers these tips as part of its ongoing series of consumer protection tips.

"Using a credit card can make your life much easier or, if not used in the right way, it can leave you buried in debt," said DCA Commissioner Julie Menin. "Even the smartest New Yorker can find themselves paying interest on credit card balances and amassing debt that they can't afford to pay off. Follow the tips below to become a savvy credit card user."

- **Shop around.** There are many different cards with different offers, interest rates and benefits. Do as you would when shopping for any item - decide what you want, compare the options and select the card that best suits your needs.
- **Read the fine print.** Make sure you take the time to read and understand all of the terms and conditions that apply to your card, before you sign up. Be aware that many credit card companies will offer a list of exceptions or attractive introductory rates that expire after a few months.
- **Spend only what you can afford.** Your credit card has a limit but that doesn't mean you should reach it. You will owe what you have spent within a few weeks of your purchases so know your budget and always pay your card on time. Failure to pay on time will damage your credit.
- **Pay off your balance in full each month.** Each month the credit card company will allow you to make a minimum payment that is less than the total you owe. It may seem easy to do this but you will be charged interest. Adding that interest to what you already owe can add up. Avoid having to pay more and pay your balance in full. .
- **Know when to put the card away.** If you have a balance on your card and you can't pay it off in full, stop using the card and keep making payments until you have paid off the balance. Always pay more than the minimum payment if you can, otherwise the interest might increase your balance even if you aren't making new purchases.

- **Limit the number of credit cards in your wallet.** Keeping track of multiple credit card bills can be tough. Avoid any confusion and reduce your chances of having your identity stolen by limiting yourself to as few credit cards as possible. For most people one credit card is more than enough.
- **Opt-out of receiving credit card offers.** Under the Fair Credit Reporting Act, consumer credit reporting companies are allowed to include your name on lists that are used by creditors to make credit offers. In an effort to limit the number of cards and offers you receive, you can opt-out of getting them at [optoutprescreen.com](http://optoutprescreen.com) (link to: <http://optoutprescreen.com/>).
- **Get financial counseling if you need help.** There is a way out of credit card debt. New Yorkers can get free, one-on-one financial counseling at one of the City's nearly 30 Financial Empowerment Centers where you can learn how to reduce debt, get help negotiating with your creditors, understand your credit report, create a budget, improve your credit score, open a bank account, and start saving for emergencies and the future. Call 311 to schedule an appointment near you or visit [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) for more information.

For more consumer tips, visit [nyc.gov/consumers](http://www.nyc.gov/consumers) (link to: <http://www.nyc.gov/consumers>) and join the conversation on Twitter by following [@NYCDCA](http://www.twitter.com/nycdca) (link to: <http://www.twitter.com/nycdca>) and using the hashtag #ConsumerMatters.