



Answering Credit Card Questions You've Been Afraid To Ask

QUICK LINKS

[Our Website](#)

[About Us](#)

[Who Can Join](#)

[Products](#)

[Services](#)

[Loans](#)

[Kids Resources](#)

[News](#)

[Contact Us](#)

[Join Now](#)

**PFCU IS YOUR
LENDING
PARTNER!**

[Click to apply now.](#)



Although some people seem to have a love-hate relationship with their credit cards, it's important to understand how credit cards can be useful financial tools, when used responsibly. In order to do this, consumers should have a working knowledge of the pluses and minuses of using plastic.

Eric Rosenberg, contributor for *Living On The Cheap*, highlights a few key points to consider when educating yourself on credit cards.

UNDERSTANDING COSTS

Credit card fees come in 3 main categories:

1) Interest - credit card issuers charge a percentage of outstanding balances as the primary cost of using a credit card.

2) Annual fees - some credit cards charge a fee every year to keep and use the card.

3) Usage fees - certain usage fees, such as late payments, returned payments and missed payments incur fees. Other common fees include foreign transactions, cash advances,

and balance transfers.

Responsible credit behavior and avoiding expensive cash advances and balance transfers will do a lot to keep your fees low. You also control which cards you choose to use, which can lower the annual fee.

Don't let interest work against you

The cost that gets most people in trouble is interest. Credit card interest can be as high as 29%, which means you pay for almost one third of your outstanding balance again every year.

However, if you pay your entire balance in full by the due date, you don't have to pay any interest for the prior month. If you pay off your card in full every month, you never pay any interest. Interest charges occur only when you carry a balance from month to month.

Turning things around

If you find yourself facing significant credit card debt, taking steps to get out of debt can lead to significant savings in the long run.

4 TIPS TO GET YOU OUT OF CREDIT CARD DEBT

1) Don't wait - you can make payments on your credit card debt at any time. You don't have to wait for the statement to show up in the mail (or email) to make a payment.

2) Double up - consider making more than one payment per month. Many card users are best off paying their cards off twice per month on payday. Doing so matches your income and expenses so you don't have to save up for a bigger payment at the end of the month.

3) Think big - one of the best methods to pay off your cards is the "debt avalanche" method. Mathematically, this is often considered the best path to debt freedom. In this method, you make the largest payments you possibly can each month on your highest interest credit card. When that is paid off, move on to the next highest interest card until you are debt free.

4) Reach out - as your credit union, we are here to help. We have resources and staff members available to assist you with getting out of debt. Please contact us if you have questions or are looking for debt solutions.

[Click here to read the full article.](#)

HOLIDAY LOAN SPECIAL

- **Same day approval.**
- **One year to repay.**
- **No early payment penalty.**

Call, stop by the credit union or visit our website for more details.

Download our FREE Mobile Banking & Bill Pay App!



Stay up-to-date on the latest news and information!



Police Federal Credit Union of Omaha
(402) 391-4040

3003 South 82nd Avenue
Omaha, NE 68124

10791 South 72nd Street
Papillion, NE 68046

Federally insured by the NCUA. Equal Housing Opportunity.

Website: www.opfcu.net

Facebook: www.facebook.com/PoliceFCU