

**For More Information,
Call the Legal Aid In Your Community.**

Legal Hotline open Monday to Friday
9:00am to 11:30am
1:00pm to 3:30pm

Oahu call 536-4302
Maui call 242-0724
Molokai call 553-3251
Lanai call 565-6089
Hilo call 934-0678
Kona call 329-8331
Kauai call 245-7580



**Legal Aid
Society
Of Hawai'i**

**CHOOSING AND USING
CREDIT CARDS**

Remember:

This brochure is meant to give you general information about credit cards and not to give you specific advice about your case.

The law often changes. Each case is different.

For more information, call Legal Aid's hotline.

In addition to being more convenient than carrying cash, credit cards are also a way to build good credit history. You can make a large purchase, such as washing machine or refrigerator, use it while still paying it off and build a good credit history for your future at the same time. More than either of those things, however, they are also a very big responsibility. This is why it is important to make sure that you shop around for a credit card that has the best options at the lowest cost.

CHOOSING YOUR CREDIT CARD

Chances are, you've probably gotten many "pre-approved" credit card offers with low introductory fees or APR rates, urging you to reply before "the offer expires". But it is best for you to take your time when shopping for a credit card. Hidden in those great offers may be additional membership fees, enormous late payment charges or an APR that skyrockets a few months after you sign up.

So how can you make sure you are getting the best deal possible?

- Understand all the terms. If you don't understand a word in the agreement, look it up or ask the creditor. If you don't it may end up costing you a lot of money in the end.
- Shop around. All credit card companies are not the same. Some may charge annual membership fees, while others do not. Some companies charge higher interest or don't have a grace period. It's up to you to find the advantages.
- Get a copy of your credit report. Make sure you get a copy of your credit report *before* you apply for a credit card so that you can clear up any mistakes if there are any.

EQUIFAX

P.O. Box 740241
Atlanta, GA 30374
1-800-685-1111

EXPERIAN

(formerly TRW)
P.O. Box 2002
Allen, TX 75002
1-888-397-3742

TRANS UNION

P.O. Box 1000
Chester, PA 19022
1-800-916-8800

CHOOSING YOUR CREDIT CARD

In addition to simple things you can do to protect your credit card, there are a number of important things for you to keep in mind to protect your credit history.

Remember to:

- As soon as you get your credit card, sign the back of your card so that no one else can use it.
- Never give out your credit card number or expiration date to anyone, especially over the telephone. Keep your account information to yourself. Many criminals will use this information to make purchases, get cash advances or even steal your identity from you.

- Keep copies of your sales receipts and compare the amounts when you get your monthly statement.
- Don't lend your card to anyone. You are ultimately responsible for any charges made with your credit card, regardless of who made the charges.
- Make your payments on time. Doing so will help avoid finance charges and maintain your good credit history.

If You Find Mistakes On Your Bill

There are federal laws that protect you if you find errors on you bill, have credit balances, or if someone makes unauthorized charges on your card. It is important, however, that you notify the credit card company within the allotted time to resolve the dispute. If you fail to contact them when you are supposed to, you may be held responsible for any errors they make. So make sure you look over your statement as soon as you get them and immediately contact your credit card company if you find any mistakes.

- Errors on Your Bill – If you find a mistake, such as for a wrong amount, or for something you didn't accept (for a catalog order for example) on you bill, you can withhold payment for that amount only.
 - First, write to the credit card company at the address indicated on your statement under "billing inquiries". Include you name, address, account number and a description of the error.
 - Send your letter within 60 days of the bill.
 - Include also, if you have it, a copy of your original receipt (of the correct amount, or the voided sale).
 - The credit card company must acknowledge your complaint within 30 days.
 - The credit card company must also resolve the dispute within 2 billing cycles, or 90 days.
- Unauthorized Charges – If your card is used without your permission, you can still be responsible for \$50 per card so it is important that you notify your credit card company as soon as your card is lost or stolen. If you report the loss of your card before the card is used, you cannot be held responsible for any unauthorized charges.
- Refunds of Credit Balances – When you make a return or pay more than the total balance, you may keep the credit on your account or write to the credit card company for a cash refund if it's more than \$1. The refund must be issued within 7 days of receiving your letter.

Remember to make and keep a record of all your correspondence (including telephone calls – date, time, and with whom you spoke).