

BlackEnterprise.com's Credit Card Predatory Practice Prevention Checklist

The passage of the [Credit Card Accountability Responsibility and Disclosure Act \(CARD\)](#) gives card holders expanded rights and protections, including protection from unfair interest rate increases and fees associated with over-the-phone bill payment. It also requires companies to use plain language in contracts instead of the jargon-laced writing currently used.

BlackEnterprise.com put together a credit card holder's checklist to help consumers identify if they've been a victim of predatory practices.

___ **Steer clear of [unsolicited credit cards](#) that arrive in your mailbox.** "If a credit card shows up in your mail you need to question that," says Barron H. Harvey, dean at the Howard University School of Business. These cards can have exorbitant fees or a higher interest rate.

___ **Beware of unfair interest rate hikes.** Under the new law, card issuers can only raise your interest rate if you've been late on two consecutive monthly payments. Accordingly, if you [pay your bill on time](#) for the next six months, credit card companies are required to reduce your rate back to the pre-penalty interest rate.

___ **Know your interest rate guidelines.** Many consumers can get in trouble when the comfortably [low introductory period ends](#) forcing consumers to cough up extra cash just to cover the new interest rate.

___ **Perform monthly account reviews.** [Review your contract](#) to make sure the interest rate, fees, and scheduled monthly payments are accurate. Also, [review your monthly statement](#) for an increase in monthly fees, costs associated with balance transfers, cash advances, or any other services offered by card issuers. If you notice any suspicious changes, contact your provider immediately. If necessary, ask for a thorough explanation.

___ **Apply payments to the balance with the highest interest.** If you have a balance from regular credit card purchases and a balance from another transaction, say a cash advance, chances are you're being assessed two different interest rates. Make sure your [monthly payments are applied to the balance with the highest rate](#).

If you think you've been a victim of predatory practices by your credit card company you can file a complaint with these agencies:

[Federal Trade Commission](#)

[Better Business Bureau](#)

[National Association of Consumer Advocates](#)

[Federal Reserve System](#)

[Office of the Comptroller of the Currency](#)

-- By Renita Burns