

INSIDE GRUNDY COUNTY
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Do you know how to increase the security of your credit card? Do you know what substitute credit card numbers are for? How about the difference between a charge card and a credit card? Is a consolidation loan for you? Answers to these questions were provided by Brenda Schmitt, ISU Family Resource Management Field Specialist in the recent *Extension to Families At Work...At Home* newsletter.

Leave a little room after your signature and write "See ID" on the white strip on the back of your credit/debit card. If the person taking your card does their job correctly, this extra step may stop a thief from illegally using your card. Both Visa and MasterCard require that the signature on a receipt match the signature on the card.

Substitute credit card numbers are also called "controlled payment numbers" or "virtual account numbers". Controlled payment numbers help protect your privacy and your security. They are substitute numbers that let you shop online without using your real credit card number. These substitute numbers link back to your credit card number without you ever having to reveal your actual credit card number when you shop. Typically, controlled payment numbers expire after one use or can be extended for repeating monthly bills. Contact your credit card company to learn more about this service.

The terms credit and charge are not interchangeable. A credit card lets you make purchases for which you are billed later. Most credit cards allow you to carry a balance from one billing cycle to the next; however, you have to pay interest on the balance. A charge card is a specific kind of credit card; the balance on a charge card account is payable in full when the statement is received and cannot be rolled over from one billing to the next. Because of this, a charge card doesn't have a periodic or annual percentage rate.

The major problem with debt consolidation is it feeds upon the tendencies that got you in trouble in the first place. If you've taken on so much debt that you're looking for more as a solution, chances are you won't qualify for the very low interest rates you see advertised. Those generally go to people with stellar credit ratings. Before you sign on the dotted line, be sure that the costs of the new, bundled loan will truly be less than what you're already paying various creditors. Plus, when there is nothing to secure the loan (such as your home), expect the lender to bump up the rate.

Calculate interest and fees on all your existing accounts to determine the total of the payments you now make. Then compare those amounts with the consolidation loan numbers to make sure it truly is a better choice. As with any product, shop around. A consolidation loan is only advisable when the credit problems have been caused by something outside the debtor's control that is unlikely to recur, such as a large medical bill or health crisis that is now resolved.

For more information or to receive a copy of the newsletter, contact the Grundy office of ISU Extension at 319-824-6979.