



Sneaky new credit-card gotchas

And some new rules that might help save you money

If you've been aggravated by rising credit-card fees and rates and tight payment deadlines, relief is here. Well, kind of. New rules that took effect in February will limit fees and rates and give you a reasonable amount of time to pay. But credit-card companies are already cooking up new ways to squeeze more money out of you. Many charges are hidden in fine print. Below are some of your new rights when it comes to dealing with credit-card companies—plus a list of gotchas to watch out for.

You no longer have to put up with ...

■ **Jacked-up interest rates on an existing balance.** Credit-card issuers can raise your rates on new balances only if you have a variable-rate card,

your promotional rate has expired, or you are more than 60 days late making your minimum payment. They also can't raise rates during the first year of an account.

■ **Penalty rates that never go away.**

If your rate goes up because you were more than 60 days late on a bill, your card company is required to restore your old rate if you make on-time payments for the first six months after the rate increase.

■ **Moving due dates that trick you into paying late.**

Your payment will now be due on the same day each month. As long as your payment is received by 5 p.m. at the bank's location on that day, it can't be considered late.

■ **Fees on transactions that exceed your credit limit,** unless you ask your card company to allow those transactions—not a good idea.

But you'll still have to face these gotchas ...

■ **Skyrocketing interest payments.**

Credit-card issuers can charge whatever rates they want. And they can raise them at any time for any reason on future purchases after the account's first year. They'll have to give 45 days' notice before charging a new rate, but it will apply to all the stuff you buy starting 14 days after the notice is sent out.

■ **A bump up in your minimum**

payment. Credit-card issuers can now raise your minimum payment to the level required to pay off your balance in five years. But they can raise it to any level if they do so without raising your interest rate.

■ **Account closures.** They can cancel your card without notice at any time.

■ **Tricky zero-interest-rate promotions.**

Unless you play by the rules perfectly, that zero interest rate can end up costing you big time in penalties.

■ **Surprise fees.**

Banks have been coming up with lots of new charges, including fees to receive paper statements and souped-up charges on foreign transactions, balance-transfers, and cash advances. So read that fine print you get in the mail from your card company—or brace yourself for some rude surprises.

SO WHAT CAN YOU DO? If your rates or fees go up or your borrowing limit goes down, call the card company to see if you can get a reprieve. If you have a good track record and a decent credit score, you might be successful. Don't immediately cancel cards or sign up for new ones to boost your credit limit—those actions can ding your credit score. But if you need a new card and want to make sure you're getting a fair deal, research cards online at BillShrink or Bankrate.com. And be sure to check out credit unions and small banks, which might have better deals than major issuers offer.