

Bogus Credit Card Offers

It's more convenient to use credit cards than cash or checks, especially for large purchases. But companies that offer to help you get a credit card may actually intend to steal your money.

- **Don't fall for promises that you'll get a credit card even if you have bad credit.** Fraudulent credit card offers often target people who are having credit problems and haven't been able to get cards elsewhere. They may promise to get you a card, but legitimate credit card issuers generally don't do business with people who have bad credit histories.
- **Don't pay upfront.** It's against the law for telemarketers to charge any fees in advance if they guarantee or claim that it's likely that they can help you get a credit card. This does not apply to banks, but except for secured credit cards, they don't usually ask for any money upfront. If there is an application or processing fee, it should be very small, not the hundreds of dollars that con artists request. Any annual fee usually appears on your first credit card statement.
- **If your credit history is bad, your best bet is to get a "secured" credit card.** This requires you to place a deposit in an account at the issuing bank equal to your credit limit. If you don't pay your credit card bill, the bank will use your deposit to cover it. You may not get interest on the account, but it's a good way to start rebuilding your credit.
- **A "gold" or "silver" card may not be what you think.** Sometimes fraudulent credit card offers promise "gold" or "silver" cards from major card issuers. What you receive—if you get anything at all—is a gold or silver-colored charge card that can only be used to buy overpriced goods from the company's own catalogue.
- **Apply for credit cards directly from the issuers.** It isn't necessary to pay another company to help you get a credit card, nor will it improve your chances of obtaining one.
- **If you have credit problems, get counseling.** Fraudulent credit card companies may also claim that they can repair your bad credit for a large upfront fee. But you can correct inaccurate information in your credit files yourself for free, and no one can erase negative information that is accurate. Your local Consumer Credit Counseling Service (CCCS) can provide advice about how to build a good credit record. The CCCS may also be able to make payment plans with your creditors if you've fallen behind. These services are offered for free or at a very low cost. To find the nearest CCCS office, call toll-free, 888-388-2227, or go to www.nfcc.org.