



The cruel **trap** of student
credit cards.

 Tower Federal
Credit Union

Annual Percentage Rate	18% APR	10.9% APR
Outstanding Balance	\$2,000	\$2,000
Minimum Payment	2%	2%
Years to Pay Off	24	13
Total Paid to Credit Card	\$6,397	\$3,294
Total Paid in Interest	\$4,397	\$1,294

The above figures were calculated with a minimum payment amount not less than \$15.

If you're a college student or a parent of one, here are some cold hard facts of credit card life. Most college students (84%) have a credit card. Average balance: \$3,173. But let's say you're below average. And you run up only \$2,000 on your card. Know how long you'd have to work to pay it off?

If you make the minimum monthly payment, which is usually around 2% of the balance, and you're paying 18% APR—a typical interest rate for many student cards—it could take you over 24 years. And instead of paying back \$2,000, you'll be paying back \$6,397. What's the additional \$4,397 for? Interest.

Avoid the minimum payment trap

Even with a Tower MasterCard®, which carries just a 10.9% APR, it would take over 13 years to pay off a \$2,000 balance—if you kept making only the minimum payment. The best way to escape the credit card trap? Never fall for the minimum payment temptation in the first place. Each month, pay off your balance in full. You'll discover that making the maximum payment inflicts the minimum pain in the long run. For more information, go to towerfcu.org or visit any branch.

**For more information,
go to towerfcu.org**

Our Web site is a good place to learn the basics about what it costs to carry a credit card. We've done our best to give you factual information in clear, straightforward language. If you have a specific question, ask a Tower representative at any Tower branch.

Other resources that can help

federalreserve.gov/creditcard

The U.S. Federal Reserve provides very good financial help for consumers. Use their Web site for accurate information.

bankrate.com

For everything that has to do with money.

balancepro.net

Comprehensive financial education and counseling services.

ftc.gov/idtheft

Provides identity theft information and how to avoid becoming a victim of it.



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