Blindfolded Into Debt:

A Comparison of Credit Card Costs and Conditions at Banks and Credit Unions

By

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and

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Introduction

The avalanche of credit card solicitations to U.S. households has concided in a huge increase of credit card debt. The degree to which this increase in debt is a problem or a sign of a vibrant economy is hotly debated. But clearly credit card debt is a driver of overall debt and is partly a result of the highly expensive and opaque terms and conditions applied to credit card borrowing. Some issuers'[1] policies – such as increasing rates and credit limits to those already deep in debt – make it likely that those borrowers will find it hard to escape an accelerating spiral of debt. Even those households with high credit card balances that eventually get out of debt will pay a high price. In today's industry, a handful of the most sophisticated credit card issuers now perform complex analyses on vast data sets that reveal the detailed patterns of their customers' financial behavior; the issuers then fine-tune their products to maximize income based on these models. While consumers are ultimately responsible for what they buy, the way in which financial institutions construct and describe credit card terms makes it increasingly difficult for consumers to understand the products they use.

The debate about the overall indebtedness of families in the U.S. is partly a result of the legitimately different ways in which debt can be measured. A figure of gross indebtedness is not very useful in itself partly because some debt, for example a reasonable amount of home mortgage debt or debt resulting from college tuition, should also be seen as an investment in the future. Moreover, the seriousness of debt is partly a function of how large it is measured against assets and income. The measurement of U.S. savings rates has similar complications. The government measure of savings does not, for example, include the appreciation of existing savings' assets. This said, there are reasons for serious concern about debt levels. Personal bankruptcies nearly doubled between 1990 and 2002.[2] A large number of people are borrowing heavily against their homes, so that while the total value of single family homes has risen quite dramatically in recent years, the amount of equity people have in their homes has risen by a much more modest amount. Equity as a percent of the value of homes fell to a post-World War II low in 2004; whereas in 1950 homeowners in aggregate owned 80 percent of the total value of their homes, today homeowners own only 55 percent of the total value.[3] Further the ratio of debt to assets is a ratio that can change dramatically if the assets, particularly house values and the stock market, decline significantly. Credit cards also can be used to pay off other debt that would otherwise have forced repayment or bankruptcy, thus stringing out repayment until the debt bubble gets even larger.

While the magnitude of U.S. households' debt has been well-documented, the reasons *why* U.S. families are so deeply in debt are less clear. The data suggest that rising debt is likely due to a combination of factors, among them: a long-term stagnation in real wages**,** despite the strong economy of the 1990s;[4] a large increase in debt related to the rising costs of medical expenses, especially for people without medical insurance; and a powerful culture of consumption. However, this report examines the credit card industry itself as one of the reasons for high debt. Credit card issuers have set up an intricate trap of

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[1]In credit card lexicon, "issuer" is the term for the depository institution (bank, thrift, or credit union) that issues and funds the credit card. It sets the rate, terms, and conditions independently from the brand. A few of the issuers, such as Capital One and MBNA, are "special purpose" banks and have no other business outside of credit cards. "Brand" or "network" is the term for the association to which the issuer belongs, i.e., either Visa or MasterCard. The brand owns the infrastructure that makes the transaction, while the issuer pays for the goods purchased. In addition to firms offering cards through the two major networks, two large nonbank firms, American Express Co. and Discover Financial Services (a unit of Morgan Stanley Dean Witter and Co.), issue independent cards to the public.

[2]Alex Baker, "Life and Debt: Why American Families are Borrowing to the Hilt." Century Foundation, 2004.

[3]Paul Kasriel, "Begging the Chairman's Pardon – Household Balance Sheets are Improving?" Northern Trust Corporation: Positive Economic Commentary, 17 July, 2003. Found online at http://www.northerntrust.com/library/econ_research/weekly/us/030717.html.

[4]According to income distribution charts assembled by United for a Fair Economy. Found online at http://www.faireconomy.org/research/income_charts.html, last accessed 11 April, 2005.

penalties and fees, all coded in small print with complex legal language, which makes it very easy for households to get mired in debt.

If the U.S. credit card industry were homogenous it would be more difficult to find a standard against which to measure the fairness of the product. But the industry is bifurcated in a way that allows a comparison of costs, terms, and conditions. Large banks and large credit unions both issue credit cards thus allowing a within credit card industry comparison. This report examines the basic issues surrounding credit card products and includes a comparison of the terms and conditions of credit cards offered by banks and credit cards offered by credit unions. This comparison should start with a brief description of the basic differences in purpose and relevant structures between these two kinds of financial institutions.

Credit unions are not-for-profit cooperatives that distribute any surplus not reinvested in the institution as dividends to members. In addition to their cooperative mission, they also have by tradition and federal intent a mission to serve "people of small means". As prior Woodstock Institute's research shows, there is evidence that credit unions do not fulfill that latter mission very successfully.[5] But credit unions by definition are not profit maximizers; they encourage savings (indeed the basic credit union account, a share account is a savings account); and they have a tradition of providing formal and informal financial advice to their members. This mission is one reason why credit union issued credit cards might have different terms than cards issued by other financial institutions. Another is that credit unions have different cost structures than banks. Because they are nonprofit cooperatives and because they have a mission of serving lower-income people, they are exempt from most federal and state taxes. However, they cannot raise funds from the open market and have to build equity from retained earnings. Credit unions are also restricted, compared to banks, in the products they can offer and the lines of business they can enter.

Banks, on the other hand, are driven by the need for a certain level of returns on assets and equity. They may also justify high interest rates and fees as the appropriate cost of extending credit to high-risk customers. On that point, the evidence suggests that whatever their risks, their profits are very high. In 2004, the average return on assets[6] at credit card issuers was 4.5 percent – the highest level since 1988.[7] Credit card lending is one of the most profitable sectors in the financial services industry, and many credit card banks have profits higher than such profitable companies as Microsoft and Wal-Mart.[8] Banks also have a different regulatory structure than credit unions although both types of institutions are subject to stringent safety and soundness reviews. They are also both subject to the provisions of the Patriot Act which imposes very heavy paper work burdens. Credit unions, unlike banks, are not subject to the Community Reinvestment Act.

This report is organized in the following way. First, it briefly reviews the growth of the credit card industry, and the rise of personal debt in the United States. Second, it will report data from a survey of credit cards offered by three groups of financial institutions: the ten largest U.S.-based bank and thrift companies, ranked by the total amount of credit card loans; the ten largest U.S.-based credit unions,

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[5]Woodstock's report found that credit unions in the six-county Chicago region serve much lower percentages of lower-income households than they do middle- and upper-income households. Complete results can be found in Katy Jacob, Malcolm Bush, and Dan Immergluck, "Rhetoric and Reality: An Analysis of Mainstream Credit Unions' Record of Serving Low-Income People." Chicago: Woodstock Institute, February 2005.

[6]Return on assets (or ROA) is a measure of business performance that shows a firm's profit per dollar of assets; it is derived from dividing net income by average total assets; thus, the higher the ROA, the more profitable the business. Regardless of size, a bank with a ROA of 1 percent or better is typically considered to be performing well.

[7]Lavonne Kuykendall, "Card Lenders Earned More Despite Weak Portfolio Growth," American Banker, 3 January, 2005.

[8]See http://www.pbs.org/wgbh/pages/frontline/shows/credit/interviews/yingling.html. Last accessed 15 April, 2005.

ranked by the total amount of credit card loans; and the largest federally-chartered credit unions in the Chicago metropolitan area. Third, the paper will compare the basic features of these three groups of credit cards, including the purchase rate, introductory rate, default rate, fees, terms and conditions, cash advances, and balance transfers. The report concludes with recommendations for improving credit card products to make them fairer for the average consumer.

This report and its recommendations are especially timely because the Federal Reserve Board is currently considering financial sector and consumer responses to a proposal to amend the regulations that govern credit cards under the federal Truth in Lending statute.[9]

The Rise of Credit Cards in the U.S.

The credit card industry rose to prominence in the late 1960s through aggressive mass mail campaigns. Before then, consumer credit was extended by banks primarily through installment loans for large durable goods, such as the family automobile, furniture, and large appliances. "Open-ended" credit was rare. Otherwise, consumers could obtain credit only through "open book" accounts or "tabs" with local businesses, usually guaranteed by a personal relationship between the business owner and the consumer. In the late 1950s, banks began to explore alternatives to these small consumer loans, which had high overhead costs and labor-intensive underwriting. Enter the credit card: an instant line of open-ended credit. Bank of America launched the BankAmericard, the first universal credit card, in 1958; imitators were quick to follow. By 1970, the United States was blanketed by two large merchant networks, the predecessors to Visa and MasterCard.[10]

Until the late 1970s, credit cards remained widely unprofitable for a simple reason: state usury laws set interest rates that were lower than the rate of inflation. Banks offered credit cards primarily as a vehicle to cross-sell other products. However, a wave of federal deregulation allowed credit cards to flourish starting in the late 1970s. First, the 1978 Supreme Court ruling *Marquette National Bank of Minneapolis v. First National Bank of Omaha* allowed cardholder agreements to be governed by the laws of the bank's home state, rather than the state in which the consumer was located.[11] This ruling allowed banks to export higher rates from their home state to consumers in other states. Eager to circumvent the state of New York's usury cap of 12 percent, Citibank was the first major bank to relocate in order to export high credit card rates to its customers. By 1980, Citibank had moved its credit card processing facility to Sioux Falls, South Dakota; in order to attract the 3,000 white-collar jobs that Citibank would bring, the state legislature eliminated its usury cap altogether. Today, Citibank still has its charter in Sioux Falls for credit card lending purposes. Other states soon eliminated usury laws, and now the country's largest credit card issuers have moved to locations in Delaware and South Dakota. The *Marquette* decision essentially allowed banks to nationalize their processing systems and integrate them into the existing Visa and

[9]On December 3, 2004 Federal Reserve Board issued an advanced notice of proposed rulemaking (ANPR) on a review of the credit rules of Regulation Z, which implements the Truth in Lending Act. Specifically, the Board asked the industry and consumer advocates to comment on the format and content of credit card disclosures, substantive protections, and other issues.

[10]For a comprehensive history of the credit card, see: Robert D. Manning, "Credit Card Nation: The Consequences of America's Addiction to Credit." Basic Books, 2000.

[11]Marquette National Bank v. First National Bank of Omaha, 439 US 299 (1978).

MasterCard systems.[12] It should be noted that the United States is the only country in the world that has no cap on interest rates for consumer loans.[13]

The credit card industry was further deregulated in the 1996 Supreme Court decision *Smiley v. Citibank.*[14] Prior to this decision, late fees and other fees were subject to caps in the state in which the cardholder was located, regardless of where the bank was chartered subject to some federal oversight. However, the *Smiley* decision allowed banks to charge the maximum late fee in the state where the credit card issuer was located.[15] This set off a race among banks to maximize late fees and over-the-limit borrowing fees. From 1996 to 2002, the average late fee in the industry increased from $13 to $29; overall revenue from late fees rose from $1.7 billion to $7.3 billion during that same period.[16] In addition, the Financial Services Modernization Act of 1999 (also known as the Gramm-Leach-Bliley Act)[17] allowed banks, insurance companies, and investment banking firms to merge and acquire each other for the first time since the Great Depression. The result has been a flurry of consolidation in the industry. As banks rapidly merged, so did credit card issuers. Today, it is estimated that the top ten credit card issuers account for 91 percent of outstanding credit card debt, and the top five account for around 64 percent of the market.[18] But most important, as a result of the *Marquette* decision, the *Smiley* decision, and the Gramm-Leach-Bliley Act, today's credit card lending occurs in a comparatively deregulated environment.

Today's Credit Card Borrowing

Credit card use exploded due to a highly successful marketing strategy: mass, unsolicited mail campaigns. For over two decades, banks have extended credit effectively to anyone with an address, regardless of their income and credit score. Children, persons with fixed or no income, and convicted felons all regularly receive offers for bank lines of credit. In 2001, 5 billion credit card solicitations were mailed,[19] offering low introductory rates and "preapproved" lines of credit. Between 1993 and 2000, the industry more than tripled the amount of credit it offered to consumers, from $777 billion to almost $3 trillion. As a result, the average U.S. family has $21,000 in available credit.[20] Along with the number of solicitations, banks have increased credit lines and have decreased minimum monthly payments, with the consequence that more principal and interest is revolved and charged during each billing cycle. Further, banks now have so much data on their consumers' behavior that they can calculate how much additional income they will receive by changing terms such as lowering minimum monthly payments or increasing the amounts of fees.

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[12]For a complete history of the Citibank move to South Dakota, see: Robin Stein, "The Ascendancy of the Credit Card Industry," Frontline: Secret History of the Credit Card. Found online at http://www.pbs.org/wgbh/pages/frontline/shows/credit/more/rise.html. Last accessed 24 November, 2004.

[13]See http://www.pbs.org/wgbh/pages/frontline/shows/credit/interviews/yingling.html. Last accessed 15 April, 2005.

[14]Smiley v Citibank (South Dakota), 517 US 733 (1996).

[15]Robin Stein, "The Ascendancy of the Credit Card Industry," Frontline: Secret History of the Credit Card. Found online at http://www.pbs.org/wgbh/pages/frontline/shows/credit/more/rise.html. Last accessed 24 November, 2004.

[16]Tamara Draut and Javier Silva, "Borrowing to Make Ends Meet: The Growth of Credit Card Debt in the '90s," Demos, September, 2003.

[17]Gramm-Leach-Bliley Act, Public Law 106-102, 1999.

[18]See http://www.pbs.org/wgbh/pages/frontline/shows/credit/interviews/yingling.html. Last accessed 15 April, 2005.

[19]Bernie Sanders, "Modern-day loan sharks disguised in plastic." Atlanta Journal-Constitution, 3 December, 2004.

[20]Tamara Draut and Javier Silva, "Borrowing to Make Ends Meet: The Growth of Credit Card Debt in the '90s." Demos USA, September, 2003.

"Cardholder agreements," the contract meant to give both the bank and the consumer equal standing in the relationship, have increasingly become biased towards the credit card issuers. Nowadays, banks can unilaterally change the terms of these documents and do so, often, up to 2-3 times per year. In consequence, these contracts can, in an ordinary language sense, hardly be termed "agreements" and should more accurately be called terms of use. Furthermore, issuers routinely include a mandatory arbitration clause into the agreement, under which the consumer gives up his/her right to participate in class action lawsuits, as well as private right of action against the issuer. The private right of action is a critical legal protection that affords individuals or their representatives the option of seeking enforcement of federal regulations through the court system.

Recently, credit card issuers have extended their marketing to target nonprime groups, including the economically disadvantaged and young people with poorly established credit. College students have become particularly attractive to banks: credit card representatives are present in large numbers on campuses each fall, soliciting unestablished borrowers with offers of free t-shirts and other gifts. Coupled with rising tuition rates, the result is a generation of young people burdened with consumer debt even before entering the job market.

The other side of this picture of increasing consumer debt is that the rise of credit cards has greatly improved access to credit. For the first time, all U.S. households can quickly and conveniently access loans for consumer goods. This is consistent with Congress's intent in the Equal Credit Opportunity Act (ECOA), which prohibits creditors from discriminating against credit applications on the basis of race, color, religion, national origin, sex, marital status, age, or because the applicant receives income from a public assistance program.[21] Credit cards also provide a convenient way to pay for goods without carrying cash: the industry estimates that 40 percent of its customers pay off their balances every month, and effectively use credit cards as a free payment service rather than a debt instrument. Further, these convenience users take advantage of perks such as rewards programs and insurance deals. On the other hand, the way in which banks extended this credit is very dangerous. Today's credit card industry is characterized by a bifurcated system under which the services used by "free riders," the industry's term for users who pay off their balances every month, are subsidized by "revolvers," or those who carry a balance from month to month. This means that the financial services of the wealthy households of the U.S. are indirectly subsidized by users who are less fortunate.

Credit unions started to offer card cards in the mid-1980s as a way of competing with banks. However, unlike banks, which extend lines of credit regardless of creditworthiness, credit unions typically have adopted more stringent lending policies based on a consumer's income, credit score, and other indicators. As a result, most credit unions' credit card portfolios have remained small. Furthermore, credit unions benefit from lower marketing costs, as their market is clearly confined to their field of membership, the group of people defined by employer group or community group to which they can offer membership.[22] Whereas banks currently spend money and effort on identity theft protection, credit unions are more likely to have less sophisticated technology and therefore less concerns about identity theft.

[21]The Equal Credit Opportunity Act, 15 US C. 1691 et seq.

[22]Robert D. Manning, personal correspondence with the author. 7 January, 2005.

Survey of Credit Card Terms and Conditions

The survey compared the products of three groups. The first group, listed in Table 1, is banks: it consists of the primary depository institutions of the ten largest U.S.-based bank and thrift holding companies, ranked by total amount of credit card loans.[23] Hereinafter, the term "bank" will be used to refer to institutions in this group. The second group, listed in Table 2, is made up of the ten largest credit unions nationwide, ranked by total amount of credit card loans.[24] Finally, the third group, listed in Table 3, is made up of the ten largest federally-chartered credit unions based in the Chicago MSA, ranked by total asset size.[25] This group is included to give a regional perspective with a group of regional lenders. All the data collected in the survey can be found in the Appendix.

The analysis includes what appeared to be the most basic or most standard credit card offered by each financial institution. Secured credit cards were not considered in the analysis, nor were rewards programs. In addition, many financial institutions have abandoned the convention of offering three levels of cards based on creditworthiness, namely Standard/Classic, Gold, and Platinum cards. The cards were considered regardless of brand (e.g., Visa or MasterCard). The data in the analysis were collected from issuers' website and through phone calls between December 6th and December 22nd, 2004.

Table 1
Largest U.S.-Based Bank and Thrift Companies, Ranked by Total Amount of Credit Card Loans
(As of March 31, 2004 Dollars in thousands)

	Institution	Total Credit Card Loan Balances, all Credit Cards	Card Surveyed
1	CitiGroup Inc.	$78,451,000	Citi Platinum Select MasterCard
2	Bank Of America Corp.	$35,173,798	Visa Gold
3	MBNA Corp.	$18,240,715	NFL Extra Points
4	JPMorgan Chase & Co.	$15,975,000	Chase Platinum MasterCard
5	Bank One Corp.	$10,923,000	Platinum Visa Card
6	Wells Fargo & Co.	$8,401,000	Visa Platinum Card
7	US Bancorp	$5,815,000	Visa Classic
8	Capital One Financial Corp.	$3,563,546	Platinum MasterCard
9	National City Corp.	$962,914	Elite Visa
10	BB&T Corp.	$809,638	Platinum MasterCard

[23] As published in the American Banker, 18 August, 2004. Data are accurate as of 31 March, 2004. From this list, USAA Bancorp was eliminated due to restraints on information, and FleetBoston Financial Corp. was eliminated due to the merging of its credit card products with Bank of America Corp.

[24] As published in the American Banker, 6 April, 2005. Data are accurate as of 31 December, 2004.

[25] As determined through the 2004 Directory of Federally Insured Credit Unions, published by the National Credit Union Administration. Data for total amount of credit card loans for this group were not available.

Table 2
Largest Credit Unions Nationwide, Ranked by Total Amount of Credit Card Loans
(As of December 31, 2004; Dollars in thousands)

	Institution	Total Credit Card Loan Balances, all Credit Cards	Card Surveyed
1	Navy FCU	$1,775,298	Visa Classic
2	Pentagon FCU	$590,053	Visa Classic
3	Suncoast Schools FCU	$294,075	Visa Classic
4	Boeing Employees CU	$270,765	Visa
5	Pennsylvania State Employees CU	$231,930	Visa Capitol Card
6	Digital FCU	$215,546	Visa Classic
7	Orange Co. Teachers FCU	$200,702	Visa Classic
8	Vystar FCU	$192,055	Visa Classic
9	America First CU	$161,153	Visa Classic (Option B)
10	Golden 1 CU	$158,660	Visa Classic

Table 3
Largest Federally-Chartered Credit Unions Based in the Chicago MSA,
Ranked by Total Asset Size
(As of January 1, 2004)

	Institution	Card Surveyed
1	Alliant CU	Regular MasterCard
2	Selfreliance Ukrainian American FCU	Visa Credit Card
3	Baxter CU	Classic Visa
4	Corporate America Family CU	Advantage Visa
5	Motorola Employees CU	Visa Classic
6	Great Lakes CU	Visa Classic
7	First Northern CU	Visa Classic
8	DuPage CU	Visa Plus
9	Chicago Patrolmen's FCU	Visa Classic
10	Illiana Financial CU	MasterCard Regular

Credit Card Data Analysis

The analysis is categorized into several sections based on the key terms that govern credit card agreements: purchase rate, introductory rate, default rate, fees, terms and conditions, cash advances, and balance transfers.

Purchase Rate

In today’s credit card market, a single credit card may have several annual percentage rates (APRs), each for a different purpose. For example, a card may have one rate for purchases, a second rate for cash advances, a third for balance transfers, and a fourth “default” or “penalty” rate. Thus, a monthly statement for such a card may have three different sections, with a balance and a rate for each. To add to this

confusion, a credit card issuer may offer very low introductory or promotional rates, but that rate may apply to only one of the several types of transactions. The use of multiple rates and teaser rates makes cost-shopping among credit cards increasingly difficult. The following sections review each of these rates in further detail; this section deals with the purchase rate, or general rate, of the credit card.

As Table 4 shows, all ten banks in the survey advertise a range of possible purchase rates for each card, rather than one specific rate; this practice means the consumer is "buying" the card without knowing its true cost. Upon receipt of the application, the bank will determine the card's rate based on the consumer's creditworthiness and subsequently offer a contract based on it. The consumer is not told the method for which his/her creditworthiness is determined. In contrast, credit unions were much less likely to conceal the initial purchase rate by advertising that the purchase rate would be fixed post-application within a range. Ranges were advertised by five national credit unions and only one Chicago region credit union. Instead of advertising a range, credit unions were more likely to have three levels of creditworthiness--Standard/Classic, Gold, or Platinum--each with a specific corresponding rate. But while the relationship between creditworthiness and pricing was fixed for a number of the credit unions, consumers would still only know after they receive the card in which creditworthy category they would be placed. It is clearly not possible to shop for a price if the price is concealed in this manner.

Table 4
Purchase Rates of Credit Cards in Survey

	No. of Institutions with Ranges	Lowest Rate*	Highest Rate*	Average Rate**	No. of Institutions with Variable Rates
Banks	8 of 10	8.9	20.25	12.11	9 of 10
National CUs	5 of 10	6.9	17	12.29	1 of 10
Chicago Region CUs	1 of 10	9.75	16.88	13.24	1 of 10

**** "Lowest" or "Highest" rate refers to the lowest or highest rate advertised, regardless of whether this value was part of a range.***

***** Where ranges were used, the midpoint of the range was used in determining "average rate." In two cases, no upper bound was given for a range (e.g., "Rates as low as 9.9 percent APR"). When this occurred, these cases were eliminated from determination of the average rate.***

The purchase rate, like any rate, may be either fixed or variable. The best scenario is for a consumer to obtain a fixed rate when the prime rate is low, thus "locking in" a low rate. Variable rates, on the other hand, typically fluctuate each billing cycle. Most banks will assign a margin to a consumer based on credit risk; for each billing cycle, the consumer's rate will be the prime rate plus that margin. Consumers who are riskier borrowers have high margins and thus higher rates, while more creditworthy consumers have lower margins and thus lower rates. The difference between banks and credit unions on the use of fixed or variable interest rates for the basic credit card is dramatic. As Table 4 shows, nine of the banks use a variable rate scheme, while only one national credit union and one Chicago region credit union use variable rates.

It is difficult to compare interest rates when some issuers use fixed and other variable rates, but as Table 4 also shows credit unions offer both lower minimum and lower maximum rates. Banks appear to offer a slightly lower average rate but that figure is not interpretable without information about how individual customer rates cluster around that average. Members of federal credit unions can also be assured that their rates will only increase above 18 percent as part of a deliberate decision by these credit unions' regulator,

the National Credit Union Administration (NCUA). The NCUA implements a maximum loan rate for the credit unions that it supervises and adjusts that rate according to market conditions.[26] State supervised credit unions are subject to state regulation, a few of which include rate caps. It should be noted that four of the ten credit unions labeled "national credit unions" in this report are, in fact, state chartered, and are, therefore, not subject to the NCUA cap.

Introductory Rate

Introductory rates or "teaser rates" are promotional offers that keep one or all of the credit card's rates low, often at 0 percent, for a specified number of billing cycles. Many times, credit card solicitations entice customers to transfer a balance from another card with a new, 0 percent rate card.

While introductory rates may allow consumers to pay off debt during the introductory period, these offers are misleading in a number of ways. An advisory letter from the Office of the Comptroller of the Currency (OCC) to national banks in September 2004[27] warned that issuers often do a poor job of describing the limitations of introductory rates. For example, the promotion often applies only to the balance transfer rate and not to the purchase rate during the promotional period. In addition, the consumer's benefits from the introductory period may be offset by the imposition of fees on the balance transfers, which often are poorly disclosed. Furthermore, solicitations also fail to clearly advise that the introductory rate may terminate upon a late payment, over limit charge, or other penalty; at that time, the rate may increase to the default rate (discussed below). The effect of these complexities is deception. This is bad enough for a consumer who applies for a credit card with a 0 percent introductory rate in order to consolidate and reduce debt; consumers who continue to rack up new credit card debt on the new card may soon find themselves with a heavy additional debt burden if they trigger a penalty rate change.

Table 5
Introductory Rates of Credit Cards in Survey

	No. With Introductory Rates	Lowest Rate	Highest Rate	Average Introductory Period, in Billing Cycles
Banks	8 of 10	0.00%	8.90%	8.25
National CUs	0 of 10	..	..	..
Chicago Region CUs	1 of 10	5.90%	5.90%	6

The survey illustrated how banks are much more aggressive than credit unions in offering introductory rates to attract initial customers, as shown in table 5. Eight of ten banks offered an introductory rate of 0 percent; of these seven, five offers lasted for six billing periods, while the remaining three lasted for 12 billing periods. Typically, these rates will increase to the default rate as soon as a customer makes a late payment, exceeds the credit limit, or if the payment check bounces. None of the national credit unions offered an introductory rate, while only one Chicago region credit union offered a modest 5.90 percent rate for the first six billing cycles.

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[26]The NCUA Board meets regularly to adjust the interest rate cap; the adjustments are based on the current market conditions. The 18 percent presented above is current as of 26 January, 2005, per a final rule that would amend 12 CFR Part 701. The final rule can be found online at http://www.ncua.gov/RegulationsOpinionsLaws/RecentFinalRegs/F-701.pdf.

[27]The September 2004 OCC advisory letter can be found online at http://www.occ.treas.gov/ftp/advisory/2004-10.doc. Last accessed 4 January, 2004.

Default Rate

The default rate, or penalty rate, is a predetermined benchmark to which rates will rise when the consumer incurs a penalty. While the specifics of the default rate vary by institution, it may be triggered by a late payment, a bounced payment check, or when the customer exceeds the credit limit. By law, it must be included in credit card solicitations and within the cardholder agreement. The default rate may also be variable. Given that default rates are often double and even triple the purchase rate, they are major contributors to the growth of consumer debt.

In today's credit card lending environment, a consumer can be in default in two ways. First is "in-card" default; that is, the default rate takes effect when a consumer makes a late payment or is over the credit limit on that card. This can take effect even on the *first* late payment. Second, many credit card issuers have begun using the controversial practice of "universal default," a misleading scheme that has become increasingly common over the last few years. This process starts when a credit card issuer reviews all its customers' credit reports through an arrangement with a credit bureau. If the bank finds a consumer is late or delinquent with any creditor or utility provider, it will increase the rate to the default rate.[28] For example, if a consumer has a perfect record on her American Express card but has been late once on her MasterCard, American Express can raise its rate, justifying the increase as protection against a "higher credit risk." While universal default has caught the attention of consumer advocates and the press,[29] it remains legal as long as the issuer discloses it in the fine print of the cardholder agreement. This practice has become widespread. A 2003 survey by Consumer Action of California showed that 39 percent of its sample of bank credit cards implemented universal default.[30] In September 2004, the OCC issued a warning letter to the national banks it regulates regarding this process.[31] However, the letter was merely a slap on the wrist: the OCC warned national banks that they should not fail to fully and prominently disclose in promotional materials the circumstances under which the rate may rise. Universal default can be hidden in the fine print in a number of ways. Some banks may explicitly state that it will raise the rate when payment is due to another creditor. Other times, banks reserve the right to raise the rate at any time for any reason, which includes universal default. Credit cards are the only sector of lending in which universal default is used – student loans, auto loans, and home mortgages do not have universal default clauses.

A simple example shows just how dangerous today's default schemes can be. Suppose a consumer has three credit card accounts, one each with issuers A, B, and C. She sends a check to issuer A two days before the due date, but makes the mistake of having insufficient funds in her checking account. Issuer A will likely charge a bad check fee, plus a late fee. Further, issuer A's "in-card" default rate is now triggered, so the rate on this card is now upwards of 25 percent. However, in addition, issuers B and C can now raise their rates to this high level also, under the argument that the consumer is now a higher credit risk. As a result, the consumer's credit score plunges. Thus, the consumer is punished severely for writing one bad check. It is very difficult to pay one's way out of debt when one honest mistake can have such a disastrous effect. All of this is legal so long as it is disclosed in the fine print of "Cardholder Agreements."

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[28]Lucy Lazarony, "Credit card companies look to raise your rates by spying on your credit." Bankrate.com, found online at: http://www.bankrate.com/brm/news/cc/19990524.asp. Last accessed 4 January, 2004.

[29]See, for example: Jennifer Bayot, "Jumps in Rates Bring Scrutiny of Credit Laws," New York Times, 29 May, 2003; Chuck Jaffe, "Zero in on details of card offers," Chicago Tribune, 2 September, 2003.

[30]Linda Sherry et. al., "Credit Card Survey 2004." Consumer Action News, Spring 2004.

[31]The September 2004 OCC Advisory letter can be found online at http://www.occ.treas.gov/ftp/advisory/2004-10.doc. Last accessed 4 January, 2004.

Table 6 shows that nine out of ten banks in the survey had a default rate compared to only four of ten national credit unions and one of ten Chicago region credit unions. At banks, the default rate ranges from 19.8 percent to an astronomical 28.99 percent, with an average of 25.41 percent. At national credit unions, the four that use default rates average 19.80 percent; at Chicago region credit unions, the single credit union with a default rate is at 17.99 percent.

Table 6
Default Rates of Credit Cards in Survey

	No. With Default Rates	Lowest of those institutions with Default Rates	Highest of those institutions with Default Rates	Average
Banks	9 of 10	19.8%	28.99%	25.4%
National CUs	4 of 10	16.9%	27.9%	19.8%
Chicago Region CUs	1 of 10	17.99%	17.99%	17.99%

Fees, Terms and Conditions

The survey included data on various other fees, terms, and conditions of credit card contracts. In 1995, the credit card industry generated $8.3 billion in all fees, and by 2003 this number skyrocketed to $20.7 billion.[32] This is largely due to the aforementioned 1996 *Smiley* decision that allows issuers to export higher fee ceilings from the states in which they are located. The types of fees included in the survey include annual fees, late fees, over-the-credit-limit fees, cash advance fees (covered below in its own section), and balance transfer fees (also covered in its own section).[33]

Annual fees have largely been discarded. In the early 1980s, annual fees were assessed to cover the costs of unprofitable “free riders” – customers who avoid interest charges by paying their balance every month. In an effort to increase the market for credit cards, issuers eliminated annual fees and instead increased types and amounts of penalty fees. Typically, annual fees today exist only for high-end cards with rewards programs. None of the cards in the survey had annual fees.

Issuers have steadily increased late fees and have introduced a number of misleading schemes to maximize the number of late payments. Late fees are the golden goose of credit card issuers. In 1996, the industry generated $1.7 billion in late fees; in 2002, it collected $7.3 billion.[34] According to another survey, nearly 30 percent of credit card consumers had been charged a late fee in 2001.[35] At the same time, many issuers have squeezed the grace period for repayment from 30 days down to 20 days to increase the likelihood of a late payment, as shown in Table 7. Many have also set the payment deadline

[32]Demos USA, “Credit Card Industry Practices: In Brief.” Found online at http://www.demos-usa.org/pubs/IndustryPractices_WEB.pdf. Last accessed 6 January, 2005.

[33]In addition to these fees, credit cards may also include set-up fees, credit-limit-increase fees, return-item fees, currency conversion fees, and others. For an extensive list of these fees, see “Choosing a Credit Card,” Federal Reserve Board. Found online at http:/www.federalreserve.gov/pubs/shop/. Last accessed 6 January, 2005.

[34]Demos USA, “Credit Card Industry Practices: In Brief.” Found online at http://www.demos-usa.org/pubs/IndustryPractices_WEB.pdf. Last accessed 6 January, 2005.

[35]Thomas A. Durkin, “Consumers and Credit Disclosures: Credit Cards and Credit Insurance.” Federal Reserve Bulletin, April, 2002.

at 1 p.m. on the due date; so, if the letter carrier is a bit late that day, so is the payment.[36] A 2004 survey by Consumer Action showed that 58 percent of surveyed banks now have a cut-off time in addition to a cut-off date.[37] Issuers may also periodically switch their payment address among multiple P.O. boxes, so that payments are bounced around the card processing center thus causing a further delay.[38] A payment that is even a minute late may result in a huge rate increase.

As Tables 7 and 8 illustrate, credit unions are more consumer friendly in regards to the grace periods and late fees of their products. Banks have made late fees progressively more difficult to understand; eight of ten surveyed used a tiered system in assessing late fees. For example, a bank may charge a $15 late fee on a balances up to $100; $29 on balances of $100-$1,000; and $39 on balances of $1,000 and over. In contrast, no national credit union and no Chicago region credit union used tiered systems, thus eliminating confusion. One national credit union, however, charges 5 percent of the past due payment, but no less than $10. Due to the use of tiered systems, dollar-to-dollar comparisons among the three groups were not made.

Table 7
Grace Periods* of Credit Cards in Survey

	Lowest	Highest	Average	Standard Deviation
Banks	20 days	25 days	21.5 days	2.41
National CUs	25 days	25 days	25 days	0.00
Chicago Region CUs	25 days	25 days	25 days	0.00

Grace period is defined as the number of days between the close of the billing cycle and the date the payment is due.

Table 8
Late Fees of Credit Cards in Survey

	No. Using Tiered Systems Rather than a Specific Fee	Lowest Late Fee in Group*	Highest Late Fee in Group*
Banks	8 of 10	$15	$39
National CUs	0 of 10	$10	$25
Chicago Region CUs	0 of 10	$10	$25

"Lowest" or "Highest" late fee refers to the lowest or highest value advertised, regardless of whether this value was part of a tiered system.

[36]Amy C.Fleitas, "20 Sneaky Credit Card Tricks." Bankrate.com, found online at http://www.bankrate.com/brm/news/cc/20021106a.asp. Last accessed 4 January, 2004.

[37]Linda Sherry et. al., "Credit Card Survey 2004." Consumer Action News, Spring 2004.

[38]Amy C. Fleitas, "20 Sneaky Credit Card Tricks." Found online at http://www.bankrate.com/brm/news/cc/20021106a.asp. Last accessed 4 January, 2004.

Over-the-limit fees seem benign enough—but issuers charge excessive amounts when a consumer inadvertently exceeds the limit by as little as $1. Once again, banks charge more than credit unions for this fee. In fact, the lowest over-the-limit fee charged by a bank in the sample ($29) was higher than the highest fee charged by a national credit union ($27). As shown in Table 9, the banks' average of $33.60 far exceeds the national credit unions' average of $17.90 and credit unions' average of $23.33. Only one institution, a Chicago region credit union, does not have an over-the-limit fee.

Table 9
Over-the-Limit Fees of Credit Cards in Survey

	No. With OTL Fees	Lowest	Highest	Average	Standard Deviation
Banks	10 of 10	$29	$39	$33.60	3.41
National CUs	10 of 10	$10	$27	$17.90	5.66
Chicago Region CUs	9 of 10	$10	$35	$23.33	6.61

Cash Advances

A cash advance is the feature of a credit card that allows the consumer to borrow cash on the card's line of credit, rather than purchase goods or services. Unlike regular purchases, however, the interest for cash advances usually begins to accrue as soon as the advance is made, rather than at the end of the billing cycle. Issuers profit handsomely from high fees assessed on cash advances. But the central issue in cash advance features is that many cards have a different rate for cash advance balances. Nine of ten banks in the survey implement a different APR for cash advances. This means that a credit card statement will show (at least) two sections: one for purchases, which is charged the purchase rate, and a second for cash advances, which is charged a special cash advance APR. Usually, cash advances are charged a much higher rate – in fact, on average the cash advance rate was higher by a margin of 6.99 percent among banks in the survey. The use of multiple rates increases confusion about the full price of cash advances for what is a very expensive product.

Once again, credit unions provide the same service at a much lower price, as shown in Table 10. On average, banks charge a fee of 3.2 percent of each cash advance, but not to be lower than an average "floor" of $6.50. All ten banks have no upper bound for cash advances. Thus, for a cash advance of $1,000, the average bank would charge a fee of $32.00. In comparison, seven of ten national credit unions and six of ten Chicago region credit unions do not charge any fees for cash advances whatsoever.[39] Of the three national credit unions that do have fees, the average fee is 1.93 percent of the advance; at the four Chicago region credit unions, this number is 2 percent. As also shown in Table 10, their fee floors are much lower. With the exception of one national credit union, all credit unions use the same rate for both purchases and cash advances.

[39]At one national credit union, there is a nominal fee of 50 cents for a cash advance, regardless of the amount of the advance. Similarly at one Chicago credit union there is a $2 fee for cash advances.

Table 10
Cash Advances of Credit Cards in Survey

	No. of Institutions with Cash Advance Fees*	Of those with CA Fees, Average Percent of Balance Charged as Fee	Of those with CA Fees, Average Fee not to Be Lower Than (Fee Floor)	No. of Institutions where CA rate is Higher than Purchase APR	Of those Institutions with a Higher CA Rate, the margin by which the Average CA Rate is Higher than the Purchase Rate
Banks	10 of 10	3.20%	$6.50	9 of 10	6.99%
National CUs	3 of 10	1.83%	$0.66	1 of 10	3.00%
Chicago Region CUs	4 of 10	2.00%	$3.50	0 of 10	..

At one national credit union, there is a nominal fee of 50 cents for a cash advance, regardless of the amount of the advance. Similarly at one Chicago region credit union there is a $2 fee for cash advances. These two cases are not included in the above table.

Balance Transfers

Credit card issuers also benefit greatly from the high fees charged for balance transfers, as shown in Table 11. Typically, a consumer requests a balance transfer when moving a large sum of money from a high-rate credit card to a lower rate card. In 2001, a survey showed that 27 percent of credit card holders had transferred balances in the previous year.[40] Some banks even include unsolicited "convenience checks" in credit card solicitations to encourage the consumer to make a transfer.[41] What the banks fail to indicate clearly, however, is that balance transfers come at a high cost. Furthermore, like cash advances, balance transfers may have a different rate than the purchase rate, once again confusing most consumers. Usually, banks intentionally set balance transfers lower than the purchase rate in order to entice new business by luring consumers to that card.

The survey found that while balance transfer APRs were similar across the three groups, banks profit from exorbitant balance transfer fees, which are often poorly disclosed. Thus, any advantage that a consumer gains through a low balance transfer APR is offset by the implementation of large fees. All seven banks that implement balance transfer fees charge a rate of 3 percent of each transfer. All seven set a fee floor, which averages $6.43. As also shown in Table 11, two of these banks have no maximum cap for a balance transfer fee (the other five cap at an average of $63). For those two banks, therefore, a balance transfer of $3,000 would incur a fee of $90. In stark contrast, there are no fees for balance transfers at eight of ten national credit unions and zero of the ten Chicago region credit unions. At the two national credit unions that do charge for balance transfers, the fee is 2 percent of the advance, with an average cap at $30.

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[40] Thomas A. Durkin, "Consumers and Credit Disclosures: Credit Cards and Credit Insurance." Federal Reserve Bulletin, April, 2002.

[41] Convenience checks can be used for any type of transaction including balance transfers, cash advances, and even regular purchases. The terms and rates depend on the type of transaction. To add to the confusion, the rates also depend on the order of the convenience check in the set of checks the bank sends the customer.

Table 11
Balance Transfers of Credit Cards in Survey

	No. of Institution With Balance Transfer Fees	Of those with BT Fees, Average Percent of Advance Charged as Fee	Of those with BT Fees, Average Fee not to Be Lower Than (Fee Floor)	Of those with BT Fees, Average Fee not to be Higher Than (Fee Floor)	No. of Institutions where BT Rate Different than Purchase Rate
Banks	7 of 10	3.00%	$6.43	$63*	2 of 10
National CUs	2 of 10	2.00%	$2.00	$30	3 of 10
Chicago Region CUs	0 of 10	..	..	..	1 of 10

At two of the seven banks with balance transfer fees, there is no limit to the maximum amount of fee possible. These two were not included in this average.

Recommendations for Public Policy

This analysis shows the vast complexity of the pricing of credit card products. This complexity is most likely to have a highly deceptive effect on consumer perceptions of the cost of credit. But the credit union data described above demonstrate that credit card lending can be done without exorbitant fees and without confusing terms. The ten largest credit unions in the country and the Chicago area's top ten credit unions provide a clear example that credit card lending can be done without misleading and confusing costs, terms, and conditions. As we pointed out in the introduction, credit unions have lower-cost structures than banks but this difference does not explain the huge differences in fees structures between the two types of financial institutions or the huge difference in the complexity of terms.

While bankers often respond to such criticism by calls for more financial literacy training, the complexity of credit card terms and the frequent changes in those terms are likely to confuse all but the most careful consumer. Rather, consumers need a simple statement of the costs of doing business with a credit card company. Consumer groups see the complexity as part of a larger and deliberate trend by consumer service providers such as cable providers, and cellular phone providers to hide the true costs of their services. Price-shopping among this group of providers is next to impossible. There is an academic term for such practices, "shrouding", whereby "optimizing firms" exploit "myopic" consumers through marketing schemes that "shroud" the true price of the product.[42] Another way to express the same idea is that credit card companies thwart the workings of the market by concealing the price of their products. One unfair consequence of this and other credit card practices is that the 40 percent of credit card holders who pay off their balances every month pay nothing for the convenience of credit card use and are subsidized by the people who hold balances. In general, the former group are higher-income than the latter group and so the less-well off are subsidizing the better-off.

Vigorous enforcement of existing laws and the banning of practices which have a deceptive effect because of their complexity are needed to stop the current abuses. Federal banking regulators currently have authority to regulate "unfair and deceptive acts and practices" in credit card solicitations, a power

[42] See for example Xavier Gabaix and David Laibson, "Shrouded Attributes, Consumer Myopia, and Information Supression in Competitive Markets, unpublished mss., MIT and Harvard University, April, 2005.

delegated to them under the Federal Trade Commission Act (FTC Act).[43] But since this power was delegated to them in 1975, the federal banking regulators have only used their powers six times to investigate deceptive credit card solicitations. The most notable of these was in 2000, when the OCC ordered Providian National Bank to refund $300 million for deceptive marketing. However, this case is the exception rather than the rule. A major problem with the FTC Act is that the types of infractions the OCC and other federal regulators are empowered to investigate are unclear, as are guidelines for penalties.[44] These issues need prompt attention; in the meantime, the regulatory agencies should use the powers at their disposal to curtail current deceptive practices.

Another line of defense for consumers is clear notice of the charges they will and can incur in credit card transactions. The Federal Reserve Board is currently reviewing Regulation Z which implements the Truth in Lending Act. We concur with our colleagues at the National Consumer Law Center who are urging the Board should use this opportunity to:

- Improve the clarity and effectiveness of disclosures;
- Tighten up the finance charge rules so that the APR is a more accurate gauge of the cost of credit;
- Require the use of a “typical” APR in solicitations, applications and at account opening to give consumers information that is more meaningful than just a periodic rate;
- Retain the effective APR in billing statements.[45]

There is proper skepticism about the utility of highly complex disclosures. But in the case of credit card disclosures their complexity is driven by the complexity of the products’ costs structures whose clear purpose is to maximize income in a way that conceals the true cost of transactions. So the problem requires a two-pronged approach. Clear disclosure remains the essential basis of effective action by and on behalf of consumers. The Federal Reserve Board in its current review of Regulation Z should make every effort to make the true costs of borrowing clear. But in addition, the Board should urge Congress to provide for substantive protections against the abuses of the credit card industry. Again, the following regulatory proposals come from the National Consumer Law Center:

- No unilateral change in terms allowed.
- No penalties for any behavior not directly linked to the specific card account at issue.
- No improvident extensions of credit—real underwriting of the consumer’s ability to pay should be required.

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[43]The “unfair and deceptive acts and practices” dictum is administered by a particular bank’s federal regulator. They were delegated this power upon a substantial revision to the FTC Act in 1975. Four federal entities regulate banks and thrifts: the Office of Thrift Supervision (OTS), which supervises thrifts and savings-and-loans; the Federal Reserve Board (FRB), which supervises some state-chartered banks; the Federal Deposit Insurance Corporation (FDIC), which supervises state-chartered banks which are not members of the FRB; and the Office of the Comptroller of the Currency (OCC), which supervises banks with national charters. Given that the credit card industry is highly concentrated among banks with national charters, it is estimated that the OCC regulates 70 percent of all credit card assets.

[44]Todd Davenport, “New Goals, New Methods: Consumer focus has regulators using FTC Act.” American Banker 15 December, 2004; also Todd Davenport, “Too Vague for Both Sides: FTC Act enforcement worries banks, activists,” American Banker, 16 December, 2004.

[45]These recommendations come from our colleagues at the National Consumer Law Center (NCLC). Their comments to the Federal Reserve Board’s review of Regulation Z can be found online at http://www.consumerlaw.org/initiatives/test_and_comm/content/open_end_final.pdf. Last accessed 11 April, 2005.

- No mandatory arbitration, either for consumers' claims or for collection against consumers.
- Meaningful penalties for violating any substantive or disclosure rules.
- A private right of action to enforce Section 5 of the Federal Trade Commission Act, which prohibits unfair or deceptive practices by businesses, including banks.

One very controversial issue is re-imposing interest rate caps. There have been interest rate caps in America from colonial times up to the 1980s. Clearly only floating interest rates, a given rate over and above a floating base, makes sense in an economy where interest rates can fluctuate widely. But without such caps there is apparently no limit to what credit card companies will charge, keeping many lower- and middle-income Americans in a vise grip of unrepayable debt. As Elisabeth Warren of Harvard Law School points out, in the last 30 years average wages controlling for inflation have only increased 1 percent. To add 30 percent interest rates on credit card balances in this situation means that the average borrower is paying credit card interest out of future wages and will never catch up.[46] As we noted earlier, part of the industry, federally chartered credit unions, operates under an interest rate ceiling, a restriction that has not hampered growth.

Another important topic that has not received the public attention it deserves is the "stickiness" of credit card costs. While these costs move upwards freely, there seems to be no movement down even in this era of unusually low-interest rates. This stickiness suggests the possibility of anti-trust violations and this possibility should be investigated.

In the meantime, there is a clear difference between credit cards issued by banks and those issued by credit unions. The terms and conditions of credit cards issued by the large banks are much more complex than those of the large credit union issuers. Those complexities are likely to result in the bank customers not understanding the full cost of using the banks' cards and therefore in incurring much higher fees.

[46]Interview with Elizabeth Warren reported on the PBS Frontline website at http://www.pbs.org/now/politics/warren/html. Last accessed, June 10, 2005.

Appendix: Data Used in Credit Card Survey

Notes

1. The placekeeper "n/a" is used where no data exists for a particular field. For example, when "n/a" appears in the "balance transfer fee" field, that institution has no balance transfer fee.
2. "Cash advance fee" and "balance transfer fee" are represented as a percent of the total amount of the advance or transfer.
3. Institutions' use of tiered systems makes it especially difficult to measure and compare late fees. Thus, the field "Lowest Possible Late Fee" represents the low end of an institution's range of late fees, and "Highest Possible Late Fee" similarly represents the high end of the range.
4. For many institutions, the purchase APR, cash advance APR, and balance transfer APR are the same. However, this number is nevertheless listed in each of these three fields.
5. Grace period is defined as the number of days between the date that the billing cycle ends and the date the bill is due.
6. For all other definitions, see the text of this document.

1	**TYPE:** BANK	**INSTITUTION:** CITIGROUP
NAME OF CARD: PLATINUM SELECT MASTERCARD		
PURCHASE APR CRITERIA LOWEST APR IN RANGE: 9.24% HIGHEST APR IN RANGE: 9.24% APR TYPE: VARIABLE		OTHER APR CRITERIA INTRODUCTORY APR: 0.00% NO. OF CYCLES INTRO. APR APPLIES: 12 DEFAULT RATE: 28.99% DEFAULT RATE TYPE: VARIABLE
FEES. TERMS, AND CONDITIONS ANNUAL FEE: $0 OVER THE LIMIT FEE: $35 LOWEST POSSIBLE LATE FEE: $15 HIGHEST POSSIBLE LATE FEE: $39 GRACE PERIOD, IN DAYS: 20		
CASH ADVANCE CRITERIA APR: 19.99% APR TYPE: VARIABLE CA FEE: 3% FEE FLOOR: $5 FEE CEILING: n/a		BALANCE TRANSFER CRITERIA LOWEST APR IN RANGE: 9.24% HIGHEST APR IN RANGE: 9.24% BT FEE: 3% FEE FLOOR: $5 FEE CEILING: $50

2	**TYPE:** BANK	**INSTITUTION:** BANK OF AMERICA
NAME OF CARD: VISA GOLD (marketed as the "balance transfer" card)		
PURCHASE APR CRITERIA LOWEST APR IN RANGE: 12.99% HIGHEST APR IN RANGE: 17.99% APR TYPE: VARIABLE		OTHER APR CRITERIA INTRODUCTORY APR: 8.90% NO. OF CYCLES INTRO. APR APPLIES: 6 DEFAULT RATE: 26.99% DEFAULT RATE TYPE: VARIABLE
FEES. TERMS, AND CONDITIONS ANNUAL FEE: $0 OVER THE LIMIT FEE: $35 LOWEST POSSIBLE LATE FEE: $19 HIGHEST POSSIBLE LATE FEE: $39 GRACE PERIOD, IN DAYS: 20		
CASH ADVANCE CRITERIA APR: 19.99% APR TYPE: VARIABLE CA FEE: 3% FEE FLOOR: $10 FEE CEILING: n/a		BALANCE TRANSFER CRITERIA LOWEST APR IN RANGE: 8.90% HIGHEST APR IN RANGE: 8.90% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

3 **TYPE:** BANK	**INSTITUTION:** MBNA
NAME OF CARD: NFL EXTRA POINTS	
PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 10.90%	INTRODUCTORY APR: n/a
HIGHEST APR IN RANGE: 10.90%	NO. OF CYCLES INTRO. APR APPLIES: n/a
APR TYPE: VARIABLE	DEFAULT RATE: n/a
	DEFAULT RATE TYPE: n/a
FEES. TERMS, AND CONDITIONS	
ANNUAL FEE: $0	
OVER THE LIMIT FEE: $39	
LOWEST POSSIBLE LATE FEE: $15	
HIGHEST POSSIBLE LATE FEE: $39	
GRACE PERIOD, IN DAYS: 25	
CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 20.99%	LOWEST APR IN RANGE: 10.90%
APR TYPE: VARIABLE	HIGHEST APR IN RANGE: 10.90%
CA FEE: 3%	BT FEE: 3%
FEE FLOOR: $10	FEE FLOOR: $10
FEE CEILING: n/a	FEE CEILING: $75

4 **TYPE:** BANK	**INSTITUTION:** JP MORGAN CHASE
NAME OF CARD: CHASE PLATINUM MASTERCARD	
PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 8.99%	INTRODUCTORY APR: 0.00%
HIGHEST APR IN RANGE: 19.99%	NO. OF CYCLES INTRO. APR APPLIES: 12
APR TYPE: VARIABLE	DEFAULT RATE: 28.99%
	DEFAULT RATE TYPE: VARIABLE
FEES. TERMS, AND CONDITIONS	
ANNUAL FEE: $0	
OVER THE LIMIT FEE: $35	
LOWEST POSSIBLE LATE FEE: $15	
HIGHEST POSSIBLE LATE FEE: $39	
GRACE PERIOD, IN DAYS: 20	
CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 20.99%	LOWEST APR IN RANGE: 9.99%
APR TYPE: VARIABLE	HIGHEST APR IN RANGE: 13.99%
CA FEE: 3%	BT FEE: 3%
FEE FLOOR: $10	FEE FLOOR: $5
FEE CEILING: n/a	FEE CEILING: $75

5 **TYPE:** BANK	**INSTITUTION:** BANK ONE
NAME OF CARD: PLATINUM VISA CARD	
PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 9.49%	INTRODUCTORY APR: 0.00%
HIGHEST APR IN RANGE: 13.49%	NO. OF CYCLES INTRO. APR APPLIES: 12
APR TYPE: VARIABLE	DEFAULT RATE: 25.47%
	DEFAULT RATE TYPE: VARIABLE
FEES. TERMS, AND CONDITIONS	
ANNUAL FEE: $0	
OVER THE LIMIT FEE: $35	
LOWEST POSSIBLE LATE FEE: $15	
HIGHEST POSSIBLE LATE FEE: $35	
GRACE PERIOD, IN DAYS: 20	
CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 20.49%	LOWEST APR IN RANGE: 9.49%
APR TYPE: VARIABLE	HIGHEST APR IN RANGE: 13.49%
CA FEE: 3%	BT FEE: 3%
FEE FLOOR: $10	FEE FLOOR: $5
FEE CEILING: n/a	FEE CEILING: $65

<table>
<tr><td>6</td><td>TYPE: BANK</td><td>INSTITUTION: WELLS FARGO</td></tr>
<tr><td colspan="3">NAME OF CARD: VISA PLATINUM CARD</td></tr>
<tr><td colspan="2">PURCHASE APR CRITERIA
LOWEST APR IN RANGE: 7.90%
HIGHEST APR IN RANGE: 20.25%
APR TYPE: VARIABLE</td><td>OTHER APR CRITERIA
INTRODUCTORY APR: 0.00%
NO. OF CYCLES INTRO. APR APPLIES: 6
DEFAULT RATE: 23.90%
DEFAULT RATE TYPE: VARIABLE</td></tr>
<tr><td colspan="3">FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0
OVER THE LIMIT FEE: $35
LOWEST POSSIBLE LATE FEE: $20
HIGHEST POSSIBLE LATE FEE: $35
GRACE PERIOD, IN DAYS: 20</td></tr>
<tr><td colspan="2">CASH ADVANCE CRITERIA
APR: 20.24%
APR TYPE: VARIABLE
CA FEE: 4%
FEE FLOOR: $5
FEE CEILING: n/a</td><td>BALANCE TRANSFER CRITERIA
LOWEST APR IN RANGE: 7.90%
HIGHEST APR IN RANGE: 20.25%
BT FEE: 3%
FEE FLOOR: $5
FEE CEILING: $50</td></tr>
</table>

<table>
<tr><td>7</td><td>TYPE: BANK</td><td>INSTITUTION: US BANK</td></tr>
<tr><td colspan="3">NAME OF CARD: VISA CLASSIC</td></tr>
<tr><td colspan="2">PURCHASE APR CRITERIA
LOWEST APR IN RANGE: 10.99%
HIGHEST APR IN RANGE: 19.99%
APR TYPE: VARIABLE</td><td>OTHER APR CRITERIA
INTRODUCTORY APR: 0.00%
NO. OF CYCLES INTRO. APR APPLIES: 6
DEFAULT RATE: 23.99%
DEFAULT RATE TYPE: FIXED</td></tr>
<tr><td colspan="3">FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0
OVER THE LIMIT FEE: $35
LOWEST POSSIBLE LATE FEE: $35
HIGHEST POSSIBLE LATE FEE: $35
GRACE PERIOD, IN DAYS: 20</td></tr>
<tr><td colspan="2">CASH ADVANCE CRITERIA
APR: 19.99%
APR TYPE: VARIABLE
CA FEE: 4%
FEE FLOOR: $5
FEE CEILING: n/a</td><td>BALANCE TRANSFER CRITERIA
LOWEST APR IN RANGE: 10.99%
HIGHEST APR IN RANGE: 19.99%
BT FEE: 3%
FEE FLOOR: $5
FEE CEILING: n/a</td></tr>
</table>

<table>
<tr><td>8</td><td>TYPE: BANK</td><td>INSTITUTION: CAPITAL ONE</td></tr>
<tr><td colspan="3">NAME OF CARD: PLATINUM MASTERCARD</td></tr>
<tr><td colspan="2">PURCHASE APR CRITERIA
LOWEST APR IN RANGE: 8.90%
HIGHEST APR IN RANGE: 8.90%
APR TYPE: VARIABLE</td><td>OTHER APR CRITERIA
INTRODUCTORY APR: n/a
NO. OF CYCLES INTRO. APR APPLIES: n/a
DEFAULT RATE: 19.80%
DEFAULT RATE TYPE: FIXED</td></tr>
<tr><td colspan="3">FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0
OVER THE LIMIT FEE: $29
LOWEST POSSIBLE LATE FEE: $29
HIGHEST POSSIBLE LATE FEE: $35
GRACE PERIOD, IN DAYS: 25</td></tr>
<tr><td colspan="2">CASH ADVANCE CRITERIA
APR: 19.80%
APR TYPE: VARIABLE
CA FEE: 3%
FEE FLOOR: $5
FEE CEILING: n/a</td><td>BALANCE TRANSFER CRITERIA
LOWEST APR IN RANGE: 8.90%
HIGHEST APR IN RANGE: 8.90%
BT FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td></tr>
</table>

9	**TYPE:** BANK	**INSTITUTION:** NATIONAL CITY
NAME OF CARD: ELITE VISA		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 9.90% HIGHEST APR IN RANGE: 11.90% APR TYPE: FIXED	INTRODUCTORY APR: 0.00% NO. OF CYCLES INTRO. APR APPLIES: 6 DEFAULT RATE: 23.90% DEFAULT RATE TYPE: FIXED

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $29 LOWEST POSSIBLE LATE FEE: $15 HIGHEST POSSIBLE LATE FEE: $35 GRACE PERIOD, IN DAYS: 20

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 10.90% APR TYPE: FIXED CA FEE: 3% FEE FLOOR: $0 FEE CEILING: n/a	LOWEST APR IN RANGE: 9.90% HIGHEST APR IN RANGE: 11.90% BT FEE: 3% FEE FLOOR: $10 FEE CEILING: n/a

10	**TYPE:** BANK	**INSTITUTION:** BB&T
NAME OF CARD: VISA PLATINUM MASTERCARD		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 8.65% HIGHEST APR IN RANGE: 11.65% APR TYPE: VARIABLE	INTRODUCTORY APR: 0.00% NO. OF CYCLES INTRO. APR APPLIES: 6 DEFAULT RATE: 26.65% DEFAULT RATE TYPE: FIXED

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $29 LOWEST POSSIBLE LATE FEE: $35 HIGHEST POSSIBLE LATE FEE: $35 GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 17.65% APR TYPE: VARIABLE CA FEE: 3% FEE FLOOR: $5 FEE CEILING: n/a	LOWEST APR IN RANGE: 8.65% HIGHEST APR IN RANGE: 11.65% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

11	**TYPE:** NATIONAL CU	**INSTITUTION:** NAVY FCU
NAME OF CARD: VISA CLASSIC		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 11.90% HIGHEST APR IN RANGE: 11.90% APR TYPE: FIXED	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: n/a DEFAULT RATE TYPE: n/a

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $10 LOWEST POSSIBLE LATE FEE: n/a HIGHEST POSSIBLE LATE FEE: n/a GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 11.90% APR TYPE: FIXED CA FEE: n/a FEE FLOOR: $0.50 FEE CEILING: $1	LOWEST APR IN RANGE: 11.90% HIGHEST APR IN RANGE: 11.90% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

12	**TYPE:** NATIONAL CU	**INSTITUTION:** PENTAGON FCU
NAME OF CARD: VISA CLASSIC		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 12.90% HIGHEST APR IN RANGE: 12.90% APR TYPE: FIXED	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: n/a DEFAULT RATE TYPE: n/a

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $15 LOWEST POSSIBLE LATE FEE: $25 HIGHEST POSSIBLE LATE FEE: $25 GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 12.90% APR TYPE: FIXED CA FEE: 0% FEE FLOOR: $0 FEE CEILING: n/a	LOWEST APR IN RANGE: 5.90% HIGHEST APR IN RANGE: 5.90% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

13	**TYPE:** NATIONAL CU	**INSTITUTION:** SUNCOAST SCHOOLS FCU
NAME OF CARD: VISA CLASSIC		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 12.50% HIGHEST APR IN RANGE: 12.50% APR TYPE: FIXED	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: n/a DEFAULT RATE TYPE: n/a

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $15 LOWEST POSSIBLE LATE FEE: $10 HIGHEST POSSIBLE LATE FEE: $10 GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 12.50% APR TYPE: FIXED CA FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a	LOWEST APR IN RANGE: 12.50% HIGHEST APR IN RANGE: 12.50% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

14	**TYPE:** NATIONAL CU	**INSTITUTION:** BOEING EMPLOYEES CU
NAME OF CARD: VISA		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 6.90% HIGHEST APR IN RANGE: 16.90% APR TYPE: FIXED	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: 27.90% DEFAULT RATE TYPE: FIXED

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $25 LOWEST POSSIBLE LATE FEE: $25 HIGHEST POSSIBLE LATE FEE: $25 GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 11.90% APR TYPE: FIXED CA FEE: 2% FEE FLOOR: $0 FEE CEILING: $10	LOWEST APR IN RANGE: 11.90% HIGHEST APR IN RANGE: 11.90% BT FEE: 2% FEE FLOOR: $0 FEE CEILING: $10

<table>
<tr><td>15</td><td>TYPE: NATIONAL CU</td><td>INSTITUTION: PENNSYLVANIA STATE EMPLOYEES CU</td></tr>
<tr><td colspan="3">NAME OF CARD: VISA CAPITOL CARD</td></tr>
<tr><td colspan="2"><u>PURCHASE APR CRITERIA</u>
LOWEST APR IN RANGE: 9.90%
HIGHEST APR IN RANGE: 9.90%
APR TYPE: FIXED</td><td><u>OTHER APR CRITERIA</u>
INTRODUCTORY APR: n/a
NO. OF CYCLES INTRO. APR APPLIES: n/a
DEFAULT RATE: n/a
DEFAULT RATE TYPE: n/a</td></tr>
<tr><td colspan="3"><u>FEES. TERMS, AND CONDITIONS</u>
ANNUAL FEE: $0
OVER THE LIMIT FEE: $20
LOWEST POSSIBLE LATE FEE: $20
HIGHEST POSSIBLE LATE FEE: $20
GRACE PERIOD, IN DAYS: 25</td></tr>
<tr><td colspan="2"><u>CASH ADVANCE CRITERIA</u>
APR: 12.9%
APR TYPE: FIXED
CA FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td><td><u>BALANCE TRANSFER CRITERIA</u>
LOWEST APR IN RANGE: 3.90%
HIGHEST APR IN RANGE: 3.90%
BT FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td></tr>
</table>

<table>
<tr><td>16</td><td>TYPE: NATIONAL CU</td><td>INSTITUTION: DIGITAL FCU</td></tr>
<tr><td colspan="3">NAME OF CARD: VISA CLASSIC</td></tr>
<tr><td colspan="2"><u>PURCHASE APR CRITERIA</u>
LOWEST APR IN RANGE: 9.90%
HIGHEST APR IN RANGE: n/a
APR TYPE: FIXED</td><td><u>OTHER APR CRITERIA</u>
INTRODUCTORY APR: n/a
NO. OF CYCLES INTRO. APR APPLIES: n/a
DEFAULT RATE: 16.90%
DEFAULT RATE TYPE: FIXED</td></tr>
<tr><td colspan="3"><u>FEES. TERMS, AND CONDITIONS</u>
ANNUAL FEE: $0
OVER THE LIMIT FEE: $20
LOWEST POSSIBLE LATE FEE: $20
HIGHEST POSSIBLE LATE FEE: $20
GRACE PERIOD, IN DAYS: 25</td></tr>
<tr><td colspan="2"><u>CASH ADVANCE CRITERIA</u>
APR: 9.90%
APR TYPE: FIXED
CA FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td><td><u>BALANCE TRANSFER CRITERIA</u>
LOWEST APR IN RANGE: 9.90%
HIGHEST APR IN RANGE: 9.90%
BT FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td></tr>
</table>

<table>
<tr><td>17</td><td>TYPE: NATIONAL CU</td><td>INSTITUTION: ORANGE COUNTY TEACHERS FCU</td></tr>
<tr><td colspan="3">NAME OF CARD: VISA CLASSIC</td></tr>
<tr><td colspan="2"><u>PURCHASE APR CRITERIA</u>
LOWEST APR IN RANGE: 9.90%
HIGHEST APR IN RANGE: 13.90%
APR TYPE: FIXED</td><td><u>OTHER APR CRITERIA</u>
INTRODUCTORY APR: n/a
NO. OF CYCLES INTRO. APR APPLIES: n/a
DEFAULT RATE: 16.9%
DEFAULT RATE TYPE: FIXED</td></tr>
<tr><td colspan="3"><u>FEES. TERMS, AND CONDITIONS</u>
ANNUAL FEE: $0
OVER THE LIMIT FEE: $20
LOWEST POSSIBLE LATE FEE: $20
HIGHEST POSSIBLE LATE FEE: $20
GRACE PERIOD, IN DAYS: 25</td></tr>
<tr><td colspan="2"><u>CASH ADVANCE CRITERIA</u>
APR: 11.90%
APR TYPE: FIXED
CA FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td><td><u>BALANCE TRANSFER CRITERIA</u>
LOWEST APR IN RANGE: 9.90%
HIGHEST APR IN RANGE: 13.90%
BT FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td></tr>
</table>

18	**TYPE:** NATIONAL CU	**INSTITUTION:** VYSTAR FCU
NAME OF CARD: VISA CLASSIC		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 12.90% HIGHEST APR IN RANGE: 12.90% APR TYPE: FIXED	INTRODUCTORY APR: n/a% NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: n/a% DEFAULT RATE TYPE: n/a

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $27 LOWEST POSSIBLE LATE FEE: $25 HIGHEST POSSIBLE LATE FEE: $25 GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 12.90% APR TYPE: FIXED CA FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a	LOWEST APR IN RANGE: 12.90% HIGHEST APR IN RANGE: 12.90% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

19	**TYPE:** NATIONAL CU	**INSTITUTION:** AMERICA FIRST CU
NAME OF CARD: VISA CLASSIC [OPTION B]		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 9.75% HIGHEST APR IN RANGE: n/a APR TYPE: VARIABLE	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: n/a DEFAULT RATE TYPE: n/a

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $17 LOWEST POSSIBLE LATE FEE: $10 HIGHEST POSSIBLE LATE FEE: n/a GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 9.75% APR TYPE: FIXED CA FEE: 1.5% FEE FLOOR: $0 FEE CEILING: n/a	LOWEST APR IN RANGE: 9.75% HIGHEST APR IN RANGE: n/a BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

20	**TYPE:** NATIONAL CU	**INSTITUTION:** GOLDEN 1 CU
NAME OF CARD: VISA CLASSIC		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 11.90% HIGHEST APR IN RANGE: 17.00% APR TYPE: FIXED	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: 17.50% DEFAULT RATE TYPE: FIXED

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $10 LOWEST POSSIBLE LATE FEE: $15 HIGHEST POSSIBLE LATE FEE: $15 GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 13.45% APR TYPE: FIXED CA FEE: 2% FEE FLOOR: $2 FEE CEILING: $50	LOWEST APR IN RANGE: 10.90% HIGHEST APR IN RANGE: 16.00% BT FEE: 2% FEE FLOOR: $2 FEE CEILING: $50

<table>
<tr><td>21</td><td>TYPE: CHICAGO REGION CU</td><td>INSTITUTION: ALLIANT CU</td></tr>
<tr><td colspan="3">NAME OF CARD: REGULAR MASTERCARD</td></tr>
<tr><td colspan="2"><u>PURCHASE APR CRITERIA</u>
LOWEST APR IN RANGE: 9.90%
HIGHEST APR IN RANGE: 9.90%
APR TYPE: FIXED</td><td><u>OTHER APR CRITERIA</u>
INTRODUCTORY APR: n/a
NO. OF CYCLES INTRO. APR APPLIES: n/a
DEFAULT RATE: n/a
DEFAULT RATE TYPE: n/a</td></tr>
<tr><td colspan="3"><u>FEES. TERMS, AND CONDITIONS</u>
ANNUAL FEE: $0
OVER THE LIMIT FEE: $0
LOWEST POSSIBLE LATE FEE: $10
HIGHEST POSSIBLE LATE FEE: $10
GRACE PERIOD, IN DAYS: 25</td></tr>
<tr><td colspan="2"><u>CASH ADVANCE CRITERIA</u>
APR: 9.90%
APR TYPE: FIXED
CA FEE: 0%
FEE FLOOR: $2
FEE CEILING: $2</td><td><u>BALANCE TRANSFER CRITERIA</u>
LOWEST APR IN RANGE: 9.90%
HIGHEST APR IN RANGE: 9.90%
BT FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td></tr>
</table>

<table>
<tr><td>22</td><td>TYPE: CHICAGO REGION CU</td><td>INSTITUTION: SELFRELIANCE UKRANIAN AMERICAN FCU</td></tr>
<tr><td colspan="3">NAME OF CARD: VISA CREDIT CARD</td></tr>
<tr><td colspan="2"><u>PURCHASE APR CRITERIA</u>
LOWEST APR IN RANGE: 11.90%
HIGHEST APR IN RANGE: 11.90%
APR TYPE: FIXED</td><td><u>OTHER APR CRITERIA</u>
INTRODUCTORY APR: n/a
NO. OF CYCLES INTRO. APR APPLIES: n/a
DEFAULT RATE: n/a
DEFAULT RATE TYPE: n/a</td></tr>
<tr><td colspan="3"><u>FEES. TERMS, AND CONDITIONS</u>
ANNUAL FEE: $0
OVER THE LIMIT FEE: $25
LOWEST POSSIBLE LATE FEE: $25
HIGHEST POSSIBLE LATE FEE: $25
GRACE PERIOD, IN DAYS: 25</td></tr>
<tr><td colspan="2"><u>CASH ADVANCE CRITERIA</u>
APR: 11.90%
APR TYPE: FIXED
CA FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td><td><u>BALANCE TRANSFER CRITERIA</u>
LOWEST APR IN RANGE: 11.90%
HIGHEST APR IN RANGE: 11.90%
BT FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td></tr>
</table>

<table>
<tr><td>23</td><td>TYPE: CHICAGO REGION CU</td><td>INSTITUTION: BAXTER CU</td></tr>
<tr><td colspan="3">NAME OF CARD: CLASSIC VISA</td></tr>
<tr><td colspan="2"><u>PURCHASE APR CRITERIA</u>
LOWEST APR IN RANGE: 9.75%
HIGHEST APR IN RANGE: 9.75%
APR TYPE: VARIABLE</td><td><u>OTHER APR CRITERIA</u>
INTRODUCTORY APR: n/a
NO. OF CYCLES INTRO. APR APPLIES: n/a
DEFAULT RATE: n/a
DEFAULT RATE TYPE: n/a</td></tr>
<tr><td colspan="3"><u>FEES. TERMS, AND CONDITIONS</u>
ANNUAL FEE: $0
OVER THE LIMIT FEE: $25
LOWEST POSSIBLE LATE FEE: $25
HIGHEST POSSIBLE LATE FEE: $25
GRACE PERIOD, IN DAYS: 25</td></tr>
<tr><td colspan="2"><u>CASH ADVANCE CRITERIA</u>
APR: 9.75%
APR TYPE: VARIABLE
CA FEE: 2%
FEE FLOOR: $2
FEE CEILING: n/a</td><td><u>BALANCE TRANSFER CRITERIA</u>
LOWEST APR IN RANGE: 9.75%
HIGHEST APR IN RANGE: 9.75%
BT FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td></tr>
</table>

24	**TYPE:** CHICAGO REGION CU	**INSTITUTION:** CORPORATE AMERICA FAMILY CU
NAME OF CARD: ADVANTAGE VISA		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 11.90% HIGHEST APR IN RANGE: 19.90% APR TYPE: FIXED	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: n/a DEFAULT RATE TYPE: n/a

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $35 LOWEST POSSIBLE LATE FEE: $35 HIGHEST POSSIBLE LATE FEE: $35 GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 15.90% APR TYPE: FIXED CA FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a	LOWEST APR IN RANGE: 11.90% HIGHEST APR IN RANGE: 19.90% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

25	**TYPE:** CHICAGO REGION CU	**INSTITUTION:** MOTOROLA EMPLOYEES CU
NAME OF CARD: VISA CLASSIC		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 14.88% HIGHEST APR IN RANGE: 14.88% APR TYPE: FIXED	INTRODUCTORY APR: 5.90% NO. OF CYCLES INTRO. APR APPLIES: 6 DEFAULT RATE: n/a DEFAULT RATE TYPE: n/a

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $20 LOWEST POSSIBLE LATE FEE: $20 HIGHEST POSSIBLE LATE FEE: $20 GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 14.88% APR TYPE: n/a CA FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a	LOWEST APR IN RANGE: 14.88% HIGHEST APR IN RANGE: 14.88% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

26	**TYPE:** CHICAGO REGION CU	**INSTITUTION:** GREAT LAKES CU
NAME OF CARD: VISA CLASSIC		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 14.90% HIGHEST APR IN RANGE: 14.90% APR TYPE: FIXED	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: n/a DEFAULT RATE TYPE: n/a

FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0 OVER THE LIMIT FEE: $25 LOWEST POSSIBLE LATE FEE: $25 HIGHEST POSSIBLE LATE FEE: $25 GRACE PERIOD, IN DAYS: 25

CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 14.90% APR TYPE: FIXED CA FEE: 2% FEE FLOOR: $2 FEE CEILING: n/a	LOWEST APR IN RANGE: 14.90% HIGHEST APR IN RANGE: 14.90% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

27	**TYPE:** CHICAGO REGION CU	**INSTITUTION:** FIRST NORTHERN CU
NAME OF CARD: VISA CLASSIC		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 13.50% HIGHEST APR IN RANGE: 13.50% APR TYPE: FIXED	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: 17.99% DEFAULT RATE TYPE: FIXED
FEES. TERMS, AND CONDITIONS ANNUAL FEE: $0 OVER THE LIMIT FEE: $20 LOWEST POSSIBLE LATE FEE: $20 HIGHEST POSSIBLE LATE FEE: $20 GRACE PERIOD, IN DAYS: 25	
CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 13.5% APR TYPE: FIXED CA FEE: 2% FEE FLOOR: $5 FEE CEILING: $5	LOWEST APR IN RANGE: 5.90% HIGHEST APR IN RANGE: 5.90% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

28	**TYPE:** CHICAGO REGION CU	**INSTITUTION:** DUPAGE CU
NAME OF CARD: VISA PLUS		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 16.88% HIGHEST APR IN RANGE: 16.88% APR TYPE: FIXED	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: n/a DEFAULT RATE TYPE: n/a
FEES. TERMS, AND CONDITIONS ANNUAL FEE: $0 OVER THE LIMIT FEE: $25 LOWEST POSSIBLE LATE FEE: $25 HIGHEST POSSIBLE LATE FEE: $25 GRACE PERIOD, IN DAYS: 25	
CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 16.88% APR TYPE: FIXED CA FEE: 2% FEE FLOOR: $5 FEE CEILING: $50	LOWEST APR IN RANGE: 16.88% HIGHEST APR IN RANGE: 16.88% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

29	**TYPE:** CHICAGO REGION CU	**INSTITUTION:** CHICAGO PATROLMEN'S FCU
NAME OF CARD: VISA CLASSIC		

PURCHASE APR CRITERIA	OTHER APR CRITERIA
LOWEST APR IN RANGE: 11.90% HIGHEST APR IN RANGE: 11.90% APR TYPE: FIXED	INTRODUCTORY APR: n/a NO. OF CYCLES INTRO. APR APPLIES: n/a DEFAULT RATE: n/a DEFAULT RATE TYPE: n/a
FEES. TERMS, AND CONDITIONS ANNUAL FEE: $0 OVER THE LIMIT FEE: $25 LOWEST POSSIBLE LATE FEE: $25 HIGHEST POSSIBLE LATE FEE: $25 GRACE PERIOD, IN DAYS: 25	
CASH ADVANCE CRITERIA	BALANCE TRANSFER CRITERIA
APR: 11.90% APR TYPE: FIXED CA FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a	LOWEST APR IN RANGE: 11.90% HIGHEST APR IN RANGE: 11.90% BT FEE: n/a FEE FLOOR: n/a FEE CEILING: n/a

<table>
<tr><td>30</td><td>TYPE: CHICAGO REGION CU</td><td>INSTITUTION: ILLIANA FINANCIAL CU</td></tr>
<tr><td colspan="3">NAME OF CARD: MASTERCARD REGULAR</td></tr>
<tr><td colspan="2">PURCHASE APR CRITERIA
LOWEST APR IN RANGE: 12.84%
HIGHEST APR IN RANGE: 12.84%
APR TYPE: FIXED</td><td>OTHER APR CRITERIA
INTRODUCTORY APR: n/a
NO. OF CYCLES INTRO. APR APPLIES: n/a
DEFAULT RATE: n/a
DEFAULT RATE TYPE: n/a</td></tr>
<tr><td colspan="3">FEES. TERMS, AND CONDITIONS
ANNUAL FEE: $0
OVER THE LIMIT FEE: $10
LOWEST POSSIBLE LATE FEE: $10
HIGHEST POSSIBLE LATE FEE: $10
GRACE PERIOD, IN DAYS: 25</td></tr>
<tr><td colspan="2">CASH ADVANCE CRITERIA
APR: 12.84%
APR TYPE: FIXED
CA FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td><td>BALANCE TRANSFER CRITERIA
LOWEST APR IN RANGE: 12.84%
HIGHEST APR IN RANGE: 12.84%
BT FEE: n/a
FEE FLOOR: n/a
FEE CEILING: n/a</td></tr>
</table>

Woodstock Institute

Woodstock Institute, a Chicago nonprofit incorporated in 1973, works locally, nationally and internationally to promote sound community reinvestment and economic development in lower-income and minority communities. It collaborates with community organizations, financial institutions, foundations, government agencies, and others to promote its goals.

The Institute engages in applied research, policy analysis, technical assistance, public education, and program design and evaluation. Its areas of expertise include: community reinvestment and fair lending policies, financial and insurance services, small business lending, community development financial institutions, and economic development strategies.

Malcolm Bush, Ph.D.
President

Marva Williams, Ph.D.
Senior Vice President

Patricia Woods-Hessing
Administrative Director