



What to Look For in a Balance Transfer

You may get a credit card transfer offer in the mail or email and wonder if you should act on them or even what to look for and/or compare. A credit card balance transfer offer can sometimes help you pay off high-interest rate credit card debt, but only if you choose the right type of offer or credit card because it can be costly. You should do research before taking offers to make sure you are choosing the best one for your budget.

Here is helpful information when considering a credit card balance transfer.



Introductory Rates and Period

Pay close attention to introductory rates and period. Many balance transfer credit cards offer a low or 0% introductory interest rate. The introductory interest rate may reduce or eliminate monthly finance charges on your balance transfer for a certain period of time. A 0% interest rate is ideal, but a low-interest rate is nice too. Also look to see if the rate is fixed. A fixed rate means you do not have to worry about it increasing after a certain period and will ultimately help with budgeting.

Regular Balance Transfer APR

One area people miss when considering a balance transfer is the regular APR. Remember, once the introductory period expires, you'll be paying interest at the regular balance transfer rate, which can be high. Pay attention to what that rate is. The promotional period may not be long enough for you to pay off the full balance transfer.





Transfer Credit Card's Purchases APR

There are cards that offer intro rates for balance transfers and purchases which makes it easy and attractive. Be careful. An introductory purchase rate might work against you. For instance, you may be inclined to make purchases on this card because there's a promotional rate but also be working against paying off the balance transfer.

Balance Transfer Fees

Fees for this service is common among all credit cards, and is usually a percentage of the balance you are transferring. Normally, the larger the balance transferred, the higher your fee will be. A good balance transfer offer is one that does not charge a balance transfer fee!



Qualification

Just because you get an offer doesn't mean you fully qualify – just yet. Some offers are pre-qualifications, and some offers are firm. Generally, the better your credit history, the more likely it is that you'll qualify for the balance transfer offer.

Deadlines and Timing

Balance transfer specials have deadlines. Some require you to transfer your balance within a certain timeframe to receive the promotional rate.



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