

# Credit, Debit, and ATM Cards



**BANK ON  
YOUR FUTURE**

## Helpful Information:

### Federal Trade Commission

Consumer help line: 1-877-382-4357.  
Identity theft line: 1-877-438-4338.

### Fannie Mae Foundation

Free guides on credit and home loans.  
Call toll free: 1-800-611-9566.  
Español: 1-800-782-2729.  
[www.homebuyingguide.com](http://www.homebuyingguide.com)

### Housing and Urban Development

Free advice on home buying.  
Call toll free: 1-800-569-4287.  
[www.hud.gov](http://www.hud.gov) or [www.espanol.hud.gov](http://www.espanol.hud.gov)

## Online Consumer Help:

### Federal Reserve Bank

Brochures on credit, finances, and how to buy  
a car or home.  
[www.federalreserve.gov/consumers.htm](http://www.federalreserve.gov/consumers.htm)

### My Money

Financial education materials from U.S.  
government agencies.  
Call toll free: 1-888-MYMONEY (696-6639).  
[www.mymoney.gov](http://www.mymoney.gov)  
[www.mymoney.gov/Espanol](http://www.mymoney.gov/Espanol)

Call the Attorney General's office in your state if  
you believe that a provider of goods and services  
has treated you unfairly.



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## When Choosing a Card Always Ask:

What will it cost to use  
this card?

What rules must I follow?

Are there fees for breaking  
the rules?

To download all of the brochures in this series,  
log on to [www.appleaseeds.net](http://www.appleaseeds.net)



## These Plastic Cards May Look Alike – But Different Rules Apply to Each.

**Know the rules...and these cards can make financial transactions safer and more convenient.**

**Fail to understand the rules...and the fees and late payment charges can cost you a lot of money!**

## How Do I Use These Cards?

### Credit Card

A credit card is a loan. Every time you use the card to make a purchase, you are borrowing money you will have to repay with interest. Credit cards can be useful, but the interest charged to borrow money on a credit card is usually much more expensive than on other types of loans.

If you do not pay off what you owe on your credit card each month, interest charges grow quickly until you owe **many times** the cost of your original purchase. It can be difficult to escape from credit card debt—so pay off your credit card bill every month.

### Debit Card

If you don't want credit card debt, but want the convenience of using a card instead of cash, consider a debit card (also called a check card). It can be used for most purchases and to withdraw cash from automated teller machines (ATMs).

Every time you use the card, the money you spend is withdrawn (debited) from your bank or credit union account. You are paying with your own money, and there are no interest charges. However, you may be charged a fee each time you use your debit card. Ask about fees before you use your card.

### ATM Card

An ATM (automated teller machine) card allows you to withdraw money from your bank or credit union account at cash machines or to make purchases at some stores.

Every time you use the ATM card, you must punch in a Personal Identification Number (PIN). Protect this number! Anyone who has it can withdraw money from your account.

## Why Use a Debit or ATM Card Instead of Cash?

It can be dangerous to carry cash and these cards allow you easy access to your money at any ATM machine in the United States or around the world. There may be a fee (usually about \$3) charged to your account for this service.

## What If I Leave the Country?

You can access your money using your debit or ATM card. You can also fill out a form at your bank in the U.S. to transfer your money to a foreign bank, but ask about fees.

## What Else Should I Know?

### Daily Limits

There is often a daily limit on the amount of cash you can withdraw from an ATM machine (\$300 - \$500). You can access all of your money by writing a check or visiting your bank or credit union.

### Understand the Fees

Before you apply for a card, ask for a list of fees. Avoid cards that have a fee just for using the card.

If you use an ATM or debit card machine not owned by your bank or credit union, there will be a fee (usually \$1.50 - \$2.50)—and your bank or credit union may charge an additional fee.

Be sure you know how many free transactions you can make each month on your card. Transaction fees can be very costly.

Credit card companies can charge fees for many reasons, such as for late payments or for borrowing more money than allowed.