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## **2008 Credit Card Survey**

*Summary of Findings*

*Released July 23, 2008*

*Note: You are prohibited from using Consumer Action's name or any reference to its surveys in advertising or for any other commercial purpose.*

## Consumer Action 2008 Credit Card Survey

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### About the Survey

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Survey conducted from Feb. 26-April 9, 2008 by Sheree Jones and Selwyn Cooper, students at the Virginia Institute of Technology, and Linda Sherry of Consumer Action. The survey included 41 cards from 22 financial institutions. The Prime Rate varied (7.25%, 6.00%, 5.25%) during the survey period. (\*Arkansas National Bank is no longer in business as of May 9, 2008.)

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#### **22 financial institutions**

- |                            |                        |                            |
|----------------------------|------------------------|----------------------------|
| 1. Addison Avenue FCU      | 8. Citi                | 17. Pulaski Bank and Trust |
| 2. American Airlines-FCU   | 9. Digital FCU         | 18. Simmons First          |
| 3. American Express        | 10. Discover           | 19. Town North Bank        |
| 4. Arkansas National Bank* | 11. Everbank           | 20. US Bank                |
| 5. Bank of America         | 12. First Command Bank | 21. Washington Mutual      |
| 6. Capital One             | 13. Golden 1 FCU       | 22. Wells Fargo            |
| 7. Chase                   | 14. HSBC Bank          |                            |
|                            | 15. Navy FCU           |                            |
|                            | 16. Pentagon FCU       |                            |

#### **Breakdown (41 credit cards)**

16 Banks (Top 10 issuers + 6 low rate issuers)

#### **Top Ten Issuers**

American Express	Citi	Washington Mutual
Bank of America	Discover	Wells Fargo
Capital One	HSBC	
Chase	US Bank	

## **6 Low rate issuers**

1. Arkansas National Bank\*
2. Everbank
3. First Command Bank
4. Pulaski Bank and Trust
5. Simmons First
6. Town North Bank

## **6 Credit Unions**

1. Addison Avenue FCU
2. American Airlines-FCU
3. Digital FCU
4. Golden 1 FCU
5. Navy FCU
6. Pentagon FCU

## **41 Cards**

1. Addison Avenue FCU Visa Cash Back Rewards
2. American Airlines-FCU Visa Platinum Reward
3. Amex Blue Cash
4. Amex CLEAR
5. Amex Optima
6. Arkansas National Bank Fixed Rate Card
7. B of A Cash Rewards Master Card
8. B of A Platinum Plus Visa
9. B of A Rewards American Express
10. Cap One No Hassle Miles Hassle Platinum Rewards
11. Cap One Platinum Prestige
12. Cap One Standard Platinum
13. Chase Freedom Plus Visa
14. Chase Perfect Card Mastercard
15. Chase Platinum Visa
16. AT&T Universal Platinum (Citi)
17. Citi Diamond Preferred Rewards
18. Citi Platinum Select MasterCard
19. Digital FCU Visa Platinum Reward (Scorecard)
20. Discover More Card aka Platinum
21. Discover Miles Card
22. Discover Open Road Card
23. Ever Card Visa Platinum
24. First Command Platinum Visa Card
25. Golden 1 Visa Platinum Reward
26. GM Flexible Earnings
27. HSBC No Annual Fee Platinum MasterCard
28. HSBC Platinum-Cash or Fly Rewards
29. Navy FCU MasterCard goRewards
30. Pentagon FCU Visa Platinum Reward
31. Pulaski Classic Card
32. Iberia Bank Card (Pulaski)
33. Simmons First Visa Platinum Card
34. TNB Card (Town North Bank)
35. US Bank Travel Rewards Visa Platinum
36. US Bank Visa Platinum
37. US Bank World Perks Visa Signature Card
38. WaMu Platinum Mastercard
39. Well Fargo Cash Back
40. Well Fargo Prime Rate Card
41. Wells Fargo Visa Platinum Card

## **Card Fundamentals**

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### ***What is the annual fee?***

- 35 cards had no annual fee
- 6 cards had annual fees
  - Average fee: \$43.50
  - Range: \$18 (Navy FCU goRewards)-\$79 (HSBC Platinum MasterCard)
- Of the six, 2 cards might impose an annual fee on certain customers (Town North Bank, HSBC)

### ***Is the annual fee waived the first year?***

Of the six cards with annual fees, 1 waived the fee for the first year (US Bank Visa Platinum)

### ***What is the grace period?***

- 13 - 20 days
- 6 - 20-25 days
- 21 - 25 days
- 1 - 28-31 days [American Express Clear Card]

### ***What is the APR for purchases?***

- Range of rates: 6% (Prime Rate Card, Wells Fargo) – 22.75% (high rate\* on Well Fargo's Cash Back Card) \*Rate is dependent on credit rating.
- 13.54% Average all cards
- 14.25% Average Variable cards Range: 6% (Prime Rate Card, Wells Fargo) – 22.75% (high rate\* on Well Fargo's Cash Back Card) \*Rate is dependent on credit rating.
- 11.82% Average Fixed-Rate cards Range: 7.25% (Simmons First Platinum Card) to 18.99% (Discover Open Road and More cards\*) \*Rate is dependent on credit rating.
  
- 25 cards featured a range of rates (multiple APRs for the same card)
- 16 cards quoted one rate

### ***Is the APR for purchases fixed or variable?***

12 fixed  
29 variable

***If variable, what is the margin APRs for purchases?***

APR formulas on VRCs ranged from Prime + Zero% to Prime + 20.80%.

***What index is the purchase APR rate tied to?***

All surveyed cards with Variable Rates were tied to the Prime Rate.

***If the Index changes, how quickly would my rate change?***

28 out of 29 Variable Rate cards surveyed changed it each month in which the Index changed. One card (Capital One – Standard Platinum) adjusts the rate Quarterly if the Index has changed in that quarter.

**Cash Advances**

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***What is the APR for cash advances?***

6% Fixed (Pulaski Bank) to 27.24% Variable (Chase Perfect Card)

***Is the APR for cash advances Fixed or Variable?***

14 Fixed, 27 Variable

***If variable, what is the margin APR(s)for cash advances?***

1.90% to 19.99%

***What index is the rate tied to?***

All Variable Cash Advance Rates (27 out of 41) were tied to the Prime Rate.

***What is the Cash Advance Fee?***

No fee (8 cards). 1 card, 5.00% (Pulaski - Iberia Bank). 5 – 4.00%. 1 – 3.50% (HSBC Platinum MasterCard). 23 – 3.00%. 1 – 2.5-% (Everbank) and 1 – 2.00% (Golden 1 Credit Union).

***What are the minimum and maximum cash advance fees?***

Minimum: \$2 (Golden1 FCU) to \$15 (HSBC) (Up to \$20 – Wells)  
Maximum: \$25 (Arkansas National) to \$100 (Pulaski)

## **Introductory Rates**

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***Is there an introductory APR for Purchases? If yes, what is the rate? How long does rate last?***

See Appendix # 1: ***Introductory rates on purchases***

***Is there an introductory APR for Cash Advances? If yes, what is the rate? How long does rate last?***

Only one surveyed institution, Bank of America, offered an introductory rate on cash advances—but not on ATM or teller cash advances. The offer applies to convenience checks or direct deposit cash advances arranged with the issuer.

This offer, available on the three Bank of America cards surveyed, was Zero% APR for 1 year (12 billing cycles).

***Is there an introductory APR for Balance Transfers for this card? If yes, what is the rate? How long does rate last?***

See Appendix # 2: ***Introductory rates for balance transfers***

***What is the Balance Transfer fee? (May vary by card from a given issuer)***

No fees — 5 cards (American Express Clear Card, Digital FCU, First Command Bank, Navy FCU Mastercard goRewards Card, Pulaski Bank and Trust)

No answer obtained: Addison Avenue FCU, American Airlines FCU, Arkansas National Bank, Simmons First

3% fee — 11 issuers (American Express, Bank of America, Capital One, Chase, Citi, Discover, Everbank, HSBC Bank, US Bank, Washington Mutual, Wells Fargo)

2% fee - 1 issuer: Golden1 FCU

1% fee - 1 issuers: Pentagon Federal Credit Union

***What are the minimum and maximum balance transfer fees?***

On surveyed cards with balance transfer fees that also had minimums or maximum fees, the range of fees is:

- ***Minimum fees*** ranged from \$2 (Golden 1 FCU Visa Platinum Reward)-\$15 (HSBC GM Flexible Earnings Card)

- **Maximum fees** ranged from \$50 (Everbank, Golden1 FCU Visa Platinum Reward, Arkansas National Bank) to \$250 (Citi Diamond Preferred Rewards)

***Are balance transfer fees waived during the promotion?***

For new customers (typically for a balance transfer made at the time of application or in the first 90 days) the balance transfer fees would be waived on three surveyed cards:

- American Express Optima Platinum (3.00% fee/\$5 min./No max.)
- Golden 1 FCU Visa Platinum Rewards Card (2.00% fee/\$2 min./\$50 max.)
- Wells Fargo Cash Back Card (3.00% fee/\$5 min./\$75 max.)

***Are there any conditions I need to meet to keep the lower rate? If yes, explain.***

9 (41%) issuers provided responses to this question:

1. American Express: If minimum balance is not paid, promotional APR will terminate.
2. Bank of America: Exceed credit limit, late with payment
3. Citi: may increase if you default under any cardmember agreement you have with us because you pay late, go over credit limit, or have a returned check.
4. Discover: late payment
5. HSBC Bank USA: failure to pay on time, exceeding credit limit
6. Pulaski Bank and Trust: don't miss a single payment
7. US Bank: minimum payment not received by due date, account exceeds credit limit, close account
8. Washington Mutual: Pay on time; keep account within credit limits; do not pay with a check; that will be returned for insufficient funds.
9. Wells Fargo: If minimum payment is not received for 2 consecutive billing periods.

**SECTION 4: Rewards**

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***Is this a Reward Card? (Miles, cash, etc.) Please explain the reward. What are the limits, caps, restrictions on rewards on this card? Are there any other special features about this card?***

Of the 41 surveyed cards:

- 13 offered no reward (31.71%)
- 28 offered rewards (68.29%)

Of the 28 rewards cards:

- 16 offered hybrid awards (“cash back” on purchases, travel, merchandise credits, etc.)
- 8 offered “cash back” on purchases
- 3 offered travel rewards
- 1 offered a vehicle rebate (HSBC’s GM Flexible Earnings Card)

*For a listing of all rewards cards, see Appendix #3.*

## **SECTION 5: Default Rates**

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### ***Is there a default rate on this card? (By institution)***

19 - Yes

3– No (First Command Bank, Navy FCU, Pentagon FCU)

### ***Is there more than one default rate on this card? (By institution)***

3 - Yes and No (depending on card) American Express, Discover and HSBC

1 – Yes (Everbank)

18 - No

### ***What is the highest default rate? (By cards)***

Highest: 31.99% (HSBC) - Lowest: 15.25% (Simmons)

Average: 26.87% (38 cards)

3- No default rate: First Command Bank, Navy FCU, Pentagon FCU

### ***Are your penalty rates APR fixed or variable? 55. If variable, what index is the rate tied to?***

11 cards have fixed default rates

27 cards have variable rates. All are tied to the Prime Rate index (except Arkansas National\* which was based on the Arkansas usury cap.)

3 cards have no default rate

### ***If variable, what’s the margin for the highest default rate?***

Prime + 23.99% (Chase, Citi, HSBC, US Bank, WaMu) At the time of the survey, Prime varied from 7.25%>5.25%.



***What would cause you to raise my rate to the default rate?***

- Addison Avenue FCU: One late payment
- American Airlines-FCU: One late payment; Two or more late payments
- American Express: One late payment or two or more late payments; over limit three or more times; Returned payment (bounced check) (all apply within a 12 month period)
- Bank of America: One late payment; Going over limit
- Capital One: Two or more late payments within 12 billing cycles
- Chase: One late payment; Returned payment (bounced check); Going over limit
- Citi: Returned payment (bounced check); Going over limit; One late payment
- Digital FCU: Two or more late payments; Going over limit
- Discover: Two or more late payments
- Everbank: Two or more late payments
- Golden 1 FCU: One or more late payments
- HSBC Bank: One late payment; Going over limit
- Pulaski Bank and Trust: One late payment
- Simmons First: Two or more late payments
- Town North Bank: One late payment
- U.S. Bank: One late payment; Two or more late payments; Going over limit
- US Bank: One late payment; Two or more late payments; Going over limit
- Washington Mutual: One late payment; Going over limit; Returned payment (bounced check)
- Wells Fargo: Two or more late payments; Going over limit

*No answer provided:* Arkansas National Bank\*, Navy FCU

***Is there anything else I might do that might cause me to be in default?***

Addison Avenue FCU

- Fail to live up to terms of agreement and disclosure statement.
- Credit worthiness is impaired
- Die, become insolvent or subject to bankruptcy

Digital FCU

- failure to adhere to terms of agreement
- Credit worthiness impaired
- Death, become insolvent, or bankruptcy
- Default in other loans with the bank.
- Misrepresentation in loan application

Pentagon FCU

- Illegal use of card

- Death/Incompetent
- insolvent or file bankruptcy

***Is the default rate tied to a certain number of late payments? (For example, after one late payment, rate jumps to \_\_\_%; after two late payments, rate jumps to \_\_\_%.)***

- American Express is the only surveyed institution that treated late payments this way:  
17.99% for one late payment 26.99% for two or more late payments  
Variable. (Prime Rate + 12.99% and 21.99%.)

**Could I ever get back to my regular APR? (By issuer)**

*Note: Bank of America provided different answers on its American Express card than it did for its own card, so the total of all answers is 23.*

14 – Yes (Addison Avenue FCU, American Airlines-FCU, Bank of America (Rewards American Express), Capital One, Chase, Citi, Digital FCU, Discover, Everbank, Simmons First, Pulaski Bank and Trust, Town North Bank, U.S. Bank, Wells Fargo)

2 – No (Bank of America; HSBC)

1 – Don't Know (American Express)

6 – Not answered: Arkansas National Bank, First Command Bank, Golden1 FCU, Navy FCU, Pentagon FCU, Washington Mutual)

***If I maintain a good payment record will you reduce my rate?***

Same results as previous question except for American Express – Yes (Apparently American Express will reduce the rate after 12 months with no default triggers, but not return the cardholder to the original rate.)

***If yes, how many on time consecutive payments will I need to make before you reduce my rate?***

- 12 months: Addison Avenue FCU, American Express/Bank of America-American Express, Capital One
- 9 months: Discover
- 6 months: American Airlines-FCU, Chase, Citi, Digital FCU, Everbank, Pulaski Bank and Trust, Simmons First, Town North Bank, U.S. Bank, Wells Fargo
- When account is current: Pulaski Bank and Trust

**Would you ever reduce my credit limit? (By issuer)**

*(Note: Sometimes this question is misinterpreted and the answer “if the customer requests it” is given. We don’t count these as “Yes” because we are trying to discover whether the credit limit would be reduced because of perceived customer risk.*

6 – Yes (American Express, First Command, HSBC, US Bank, WaMu, Wells Fargo)

- American Express: Representative said: “By declines in credit rating on card or poor history”
- First Command: Website says “may adjust credit limit from time to time”
- US Bank: “If multiple payments are late.”
- Wamu “We conduct periodic account reviews to determine a customer's evolving credit risk profile. Since this is a revolving line of unsecured credit, and theirs is a plethora of data that correlates a consumer's increasing credit risk with actual charge-offs, we occasionally may reprice accounts to try and insulate the bank from that risk.
- Wells Fargo: “Credit score or if you’re late every month.”

1 - Don't knows (Arkansas National\*)

13 - No

2 - Not answered (Navy, Pentagon)

**Note:** Several of the banks that said NO this year (2008) told us in 2007 that they do reduce the credit limit because of perceived customer risk: Bank of America, Chase, Citi, Discover, EverBank. *We believe that it is unlikely that they have changed their policies.*

**Other Fees**

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***What is the late payment fee? (By card)***

95% of all surveyed cards had late fees

Two cards had no late fees (American Express Clear Card and First Command Bank Platinum Card)

Average late fee overall on cards with late fees: \$25.90

Overall late fee range on cards with late fees: \$15-\$39

11 cards had flat late fees:

- Range: \$15 (Addison Avenue FCU, Golden 1 FCU) to \$35 (HSBC Bank USA Cash or Fly Rewards)
- *Average flat fee: \$25.91*

28 cards had tiered late fees tied to the balance:

*Average of all tiered late fees: \$25.89*

**7 cards had two tiers** (American Express, Discover, US Bank and Washington Mutual cards) with an average late fee of \$19.48:

- Low tier ranges: Balances from \$200 (Washington Mutual) - \$500 (US Bank); late fees from \$19-\$24 (US Bank).
  - *Average low tier fee on cards with two tiers: \$19.71.*
- High tier ranges: Balances from \$200 (Washington Mutual) to \$500 (US Bank); late fees: \$38 (American Express) - \$39.
  - *Average high tier fee on cards with two tiers: \$38.71.*

**21 cards had three tiers** with an average late fee across all tiers of \$25.89.

- Low tier ranges: Balances from \$100 to \$250; late fees: \$15-\$20
  - *Average low tier fee on cards with three tiers: \$16.48*
- Middle tier ranges: Balances up to \$250 to \$1,000 (Pulaski Bank, Wells Fargo); late fees: All \$29.
  - *Average middle tier fee on cards with three tiers: \$21.75*
- High tier ranges: Balances above: \$250 to \$1,000; late fees, \$35 (Pulaski Bank) to \$39 (all others)
  - *Average high tier fee on cards with three tiers: \$38.62*

***When will I be charged a late fee?***

32 cards (78%) indicated the late fees would be charged immediately if the payment was not received by the due date.

2 cards with no late fees (Amex Clear and First Command Bank Platinum) indicated that no late fee would be assessed, however if a payment was not received for 30-60 days, the lateness would be reported on the cardholder's credit report.

Capital One has a leniency period of 3 days after the due date in which no late fee is charged.

4 of the 5 surveyed credit unions (Addison Avenue FCU, Pentagon FCU, Golden 1 FCU, American Airlines-FCU) have leniency periods of 3-15 days after the due date in which no late fee is charged.

***Would a late fee be charged if the due date falls on a Saturday or a holiday?***

29 – “Yes”

7 – “No”

1. Everbank Ever Card Visa Platinum
2. Simmons First Visa Platinum Card
3. Washington Mutual Platinum Mastercard
4. American Express Clear
5. Pentagon FCU Visa Platinum Reward
6. Navy FCU MasterCard goRewards
7. First Command Bank Platinum

1 – No response could be obtained

4 – “Don’t know”

***On the due date, at what time does my payment need to be there to avoid a late fee? (Specify Time and Time Zone: Example: 5 p.m. PT)***

17 financial institutions answered the question. See Appendix #4 for a breakdown.

Cut-off times ranged from 1 p.m. CST (WaMu) to Midnight CT (US Bank). One of the issuers, Capital One, noted it does not assess a late fee until 3 days past the due date.

***If I pay by Phone will I be charged a fee? If so, how much? (By institution)***

12 institutions reported having a phone payment fee. (See Appendix #6) Fees ranged from \$3 (Everbank) to \$15 (Town North Bank, US Bank and Citi)

***If I pay Online will I be charged a fee? If so, how much?***

None of the surveyed cards had a fee to pay online (unless it is a “rush” or expedited payment, see next question).

***Is there an expedited payment fee for payments by phone?***

Chase (\$14.95), Digital FCU (\$10), Pulaski Bank and Trust (\$10), Wells Fargo (\$5-\$10) and HSBC (\$12.50) have fees for expedited payments by phone. (In some cases these may be the same fees charged for phone payments that are not last minute.)

***Is there an expedited payment fee for payments online?***

Chase (\$14.95), Washington Mutual (\$14.95) and HSBC (\$12.50)

**How many days before the due date does the expedited payment fee apply?**

All institutions mentioned in previous questions allowed expedited payments to be made on the due date, except HSBC, which said that online payments made within 2 days of the due date will be charged the fee in order to be credited as on time.

**What is the fee for being Over the Credit Limit? (By institution)**

21 surveyed issuers (95%) have over limit fees

- Average over-limit fee among institutions with over-limit fees: \$29.13

No fee: American Express Clear card (although Amex does charge over limit fees on its other cards of \$35) and First Command Bank.

Flat fees: 19 institutions

- High fee: \$39 – 5 institutions (Capital One, Chase, Citi, US Bank, Washington Mutual)
- Low fee: \$10 – 2 institutions (Golden 1 FCU and Navy FCU)

Tiered fees tied to balance: 2 institutions

- Bank of America \$15<\$500; \$29, \$500-\$1000; \$39>\$1000
- Discover: \$15<\$500: \$39>\$500

**What is the Returned Payment Fee? (By issuer) This fee is charged if your payment check to the credit card company bounces.**

- 18 issuers (82%) had this fee.
- The average fee at issuers with a fee is \$32.03.
- Issuers with no fee are: First Command Bank, Arkansas National Bank, Everbank, Golden 1 FCU
- Fees ranged from \$20 (Addison Avenue FCU and Navy FCU) to \$39 (Bank of America, Capital One, Chase, Citi, U.S. Bank, Washington Mutual)

**Do you charge a fee if I buy something while in a foreign country? (These may be called foreign transaction fees or foreign currency conversion fees.) If yes, what is the fee? Does this amount include the 1% fee from MasterCard or VISA or is it just your bank fee?**

Range: 1%-3%. (This includes—or is—Visa and MasterCard charge a fee of 1% of the purchase amount to convert purchases made in a foreign

currency.)

Arkansas National Bank\* and Capital One have no fee.

See Appendix #7 for details.

**Do you charge this fee if I purchase items on line or by phone from a business in a foreign country?**

13 – Yes. (American Airlines-FCU, Golden 1 FCU, Pentagon FCU, American Express, Pulaski Bank and Trust, Simmons First, Bank of America, Chase, Citi, Digital FCU, HSBC Bank, Town North Bank, U.S. Bank)

5 – No. (Addison Avenue FCU, Arkansas National Bank, Capital One, Discover, Wells Fargo)

**Finance Charges**

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**What balance calculation method do you use? (Financial institutions)**

21 - Average Daily Balance Including New Purchases

1 – Two-cycle Average Daily Balance Including New Purchases (WaMu)

**How do you calculate minimum monthly payment?**

- |                                                                                                                             |                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Addison Avenue FCU: 2% or \$20, whichever is greater                                                                     | 9. Digital FCU: 1.5% of ending statement balance or 10%                                                                                          |
| 2. American Airlines-FCU: 2% of balance                                                                                     | 10. Discover: 2%-3% amount owed                                                                                                                  |
| 3. American Express: Varies by card, but 2% of balance on some cards                                                        | 11. Everbank: Depends on card                                                                                                                    |
| 4. *Arkansas National Bank: 5% of balance                                                                                   | 12. First Command Bank: 2.5% of new balance, Or entire new balance, or \$50, whichever is greater, or amount past overdue plus over credit limit |
| 5. Bank of America: 1% if have late fees or finance charges, or 5% if no charges                                            | 13. Golden 1 FCU: 2% of balance                                                                                                                  |
| 6. Capital One: 3% of outstanding balance or \$10                                                                           | 14. HSBC Bank: 1% of new balance or \$15                                                                                                         |
| 7. Chase: 2% of new balance or 1% of balance with fees or \$10                                                              | 15. Navy FCU: No answer obtained                                                                                                                 |
| 8. Citi: (Varies by card) 1.5% of balance, plus past due amounts or late fees, or \$20 if balance is between \$0 and \$960. | 16. Pentagon FCU: Greater of \$15 or 2%                                                                                                          |
|                                                                                                                             | 17. Pulaski Bank and Trust: 2% of balance                                                                                                        |
|                                                                                                                             | 18. Simmons First: 1% of balance                                                                                                                 |
|                                                                                                                             | 19. Town North Bank: 1-3% of balance                                                                                                             |

- 20. US Bank: \$10 minimum or 1%
- 21. Washington Mutual: No answer obtained.

- 22. Wells Fargo: 1% of outstanding balance or \$15

**Organized by percentage of balance (in descending order) and minimum payment (if known):**

- |                                       |                                           |
|---------------------------------------|-------------------------------------------|
| 1. *Arkansas National Bank: 5.00%     | 13. US Bank: 1.00%, \$10.00               |
| 2. Capital One: 3.00%, \$10.00        | 14. Simmons First: 1.00%                  |
| 3. First Command Bank: 2.50%, \$50.00 | 15. Bank of America: 1.00%                |
| 4. Addison Avenue FCU: 2.00%, \$20.00 | 16. Citi: Percentage varies, \$20.00      |
| 5. Pentagon FCU: 2.00%, \$15.00       | 17. Town North Bank: Percentage varies    |
| 6. Chase: 2.00%, \$10.00              | 18. Everbank: Percentage varies           |
| 7. Pulaski Bank and Trust: 2.00%      | 19. Discover: Percentage varies           |
| 8. Golden 1 FCU: 2.00%                | 20. American Express: Percentage varies   |
| 9. American Airlines-FCU: 2.00%       | 21. Washington Mutual: No answer obtained |
| 10. Digital FCU: 1.50%, \$10.00       | 22. Navy FCU: No answer obtained          |
| 11. Wells Fargo: 1.00%, \$15.00       |                                           |
| 12. HSBC Bank: 1.00%, \$15.00         |                                           |

***Residual interest: If I had a balance for a couple months, but then paid it off in full, would you charge me any more interest in the following month on the balance I just paid in full?***

- 5 – Yes (American Express, Capital One, Citi, Town North Bank, Wells Fargo)
- 3 – Not answered (Everbank, Navy FCU, Pentagon FCU)
- 14 – No (NOTE: This may not be trustworthy. In 2007 we found that these banks used the practice: American Express, Bank of America, Capital One, Chase, Citi, Commerce Bank, Everbank, Franklin Templeton Bank & Trust, HSBC and Pulaski Bank & Trust. Of those surveyed in 2008, we may conclude that Bank of America and Chase still employ the practice.)



## Change of Terms

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**Can you increase my APR or change my terms “any time for any reason”?  
(Note: Answers based on 22 financial institutions.)**

17 – Yes

3 – No (Arkansas National Bank\*, Golden 1 FCU, Simmons First)

2 – Not answered (Everbank, Navy FCU)

**If I pay my balance on time and in full every month, could you raise my interest rate? (Note: Answers based on 22 financial institutions.)**

17 – Yes (Includes all Top Ten issuers, including Citi, which says it won't do this in any given expiration period).

3 – No (Arkansas National Bank, Golden 1 FCU, Simmons First)

2 – Not answered (Everbank, Navy FCU)

**Do you raise my interest rate because of my credit record with other credit cards or lenders? (This is sometimes called “universal default.”)**

This question was designed to check if banks are doing Universal Default. We are not sure why Citi representatives answered yes to this question (on three cards) when Citi has a public policy of not changing the rates until the expiration date.

10 - Yes

American Airlines-FCU  
Chase  
Citi  
Digital FCU  
Discover

HSBC Bank  
Pentagon FCU  
Pulaski Bank and Trust  
US Bank  
Washington Mutual

2 – Not answered (Everbank, Navy FCU)

10- No

Addison Avenue FCU  
American Express  
Arkansas National Bank  
Bank of America  
Capital One

First Command Bank  
Golden 1 FCU  
Simmons First  
Town North Bank  
Wells Fargo

**Which, if any, of the following situations might cause my interest rate to go up?**

Only 8 of 22 institutions provided answers:

1. Addison Avenue FCU: Credit score got worse
2. American Airlines-FCU: Credit score got worse
3. Bank of America: Paying another company late. Defaults with other creditors, Credit score got worse, Too many credit cards, Too much debt, Too many inquiries on credit report, Market conditions
4. Capital One: Market conditions
5. Chase: Defaults with other creditors, Too much debt, Too many credit cards, Defaults with other creditors, Paying another company late, Credit score got worse
6. Citi: Credit score got worse, Market conditions (This may be interpreted as the reasons they use for any changes at the point the card expires.)
7. Digital FCU: Credit score got worse, Too many inquiries on credit report, Too much debt, Too many credit cards, Paying another company late, Defaults with other creditors
8. Discover: Paying another company late, Defaults with other creditors, Credit score got worse, Too many credit cards, Too much debt, Too many inquiries on credit report

***Are there any other reasons why my rate might go up?***

(Answered by 5 out of 22 institutions)

1. Bank of America: Business strategies, market conditions
2. Chase: APRs may change to higher APRs, Fixed APRs may change to variable, APRs may change to fixed APRs.
3. Digital FCU: Based on credit score, debt to income ratio
4. HSBC Bank USA: APR changes
5. Wells Fargo: Only default payments will cause rate to go up.

***How would you let me know if you applied a different rate to my account?  
(By issuer)***

- 14 – Send a letter
- 1 – Send a letter or a bill stuffer (American Express)
- 1 – We wouldn't tell you. (American Airlines FCU)
- 6 – No answer

***Could I ever get back to my regular APR?***

8 – No answer

4 – No

10 – Yes (American Express, Bank of America, Capital One, Chase, Citi, Discover, Pulaski Bank and Trust, Town North Bank, Washington Mutual, Wells Fargo)

***What do I have to do to get back to the lower rate?***

8 banks answered the question.

1. Addison Avenue FCU: 1 year of good record, ask for it.
2. American Express: Based on credit; call in and request
3. Capital One: Would go over account with person
4. Chase: Have to speak with customer service, depends on account history
5. Pulaski Bank and Trust: Have to ask, request has to be made to customer service
6. Town North Bank: Ask for review of credit history
7. US Bank: Call in and inquire to customer service department

***Would you notify me before the rate goes into effect?***

16 institutions said “Yes”

1 institution said “No” (American Airlines FCU)

5 – No answers

***If I don't agree to the new rate what are my rights?***

7 – No answer

10 - Close Account

- |                          |                           |
|--------------------------|---------------------------|
| 1. Addison Avenue FCU    | 6. Discover               |
| 2. American Airlines FCU | 7. First Command Bank     |
| 3. American Express      | 8. HSBC Bank              |
| 4. Bank of America       | 9. Pulaski Bank and Trust |
| 5. Digital FCU           | 10. Wells Fargo           |

***When Opt Out is checked, please explain how the Opt Out works:***

Close account and opt out (5 banks)

1. Capital One: Opt Out and Pay Off At Old Rate. Tell them you don't want the card and pay at old rate
2. Chase: Close Account/opt out. Call customer service; also said could opt out.
3. Citi: Close Account/Opt Out and Pay Off At Old Rate, Close the account. Pay remaining balance under the old rates, terms, and fees.
4. Town North Bank: Close Account. Can also opt out.
5. US Bank: Close Account or opt out. 25 days to opt out, then account would close and stay at that rate.

### **Miscellaneous Questions**

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***AUTHORIZED USERS: What is the minimum age for an authorized user on this account?***

No minimum age: (Any age can get an authorized user card.) American Airlines FCU, Bank of America, Capital One, Chase, Citi, Discover, Golden 1 FCU, Navy FCU, Simmons First, US Bank, Washington Mutual.

No answer could be obtained from Arkansas National Bank

First Command Bank: 14

American Express: 15

Pentagon FCU: 15

Town North Bank: 16

Addison Ave FCU: 16

EverBank: 18

Pulaski Bank & Trust: 18

Wells Fargo: 18

Digital FCU: 18

HSBC Bank USA: 18/No minimum age (both answers were given)

***How often do you report my account information to credit reporting agencies?***

This question was apparently misinterpreted by many representatives. The most common answer was monthly (23 out of 41 answers), however there were some quarterlys (5 cards) and a few "don't knows" and "nevers," (1 Chase and 1 Discover card) which would appear to be incorrect.

***Do you report my balance AND credit limit to reporting agencies?***

Overwhelming "yes" answers (32 of 41). Five "no answers." Two "don't knows."

And two “Nos” (1 Chase card and 1 Discover card).

102. Do you require arbitration to settle disputes?

27 – Yes

7 – Not answered

4 – No (Addison Avenue FCU; Discover,\* Golden 1 FCU; Simmons First)

\*Discover: The Cardmember Agreement provides that we may choose to resolve a claim relating to your account by binding arbitration, in which case, you will not have the right to have that claim resolved by a judge or jury and you will not have the right to participate in a class action in court or arbitration. You may reject the arbitration provision with respect to your new account within 30 days after receiving your card. For restrictions and details, write to us at PO Box 15192, Wilmington, DE 19886-1020

3 – Don't know

\* **Note:** *Arkansas National Bank has closed since the survey was conducted.*

Appendix # 1: **Introductory rates on purchases**

<b>Issuer</b>	<b>Card name</b>	<b>Introductory rate on purchases</b>	<b>Length of introductory rate</b>
American Express	Optima	Zero	6 months
Capital One	Standard Platinum	Zero	Tied to specific date, such as June 2008
Chase	Chase Perfect Card Mastercard	Zero	6 months
Chase	Chase Platinum Visa	Zero	6 months
Citi	Platinum Select MasterCard	Zero	12 months
Discover	Discover More Card aka Platinum	Zero	Tied to specific date, such as the billing cycle ending in November 2008
Discover	Open Road Card	Zero	Tied to specific date, such as the billing cycle ending in November 2008
HSBC Bank	HSBC No Annual Fee Platinum MasterCard	Zero	6 months
HSBC Bank	HSBC Platinum-Cash or Fly Rewards	Zero	12 months
U.S. Bank	US Bank Travel Rewards Visa Platinum	Zero	6 months
Washington Mutual	WaMu Platinum Mastercard	Zero	6 months
Wells Fargo	Cash Back	Zero-5.90%	6 months
Wells Fargo	Wells Fargo Visa Platinum Card	Zero-5.90%	6 to 9 months
Town North Bank	TNB Card	4.99%	6 months
Discover	Miles Card	10.99%	6 months

Appendix #2: **Introductory rates for balance transfers**

<b>Issuer</b>	<b>Card Name</b>	<b>Introductory rate for balance transfers</b>	<b>Length of introductory rate</b>
American Airlines-FCU	Platinum Reward	Zero	Until 1/1/09, on transfers that post before 4/15/08
Bank of America	Platinum Plus	Zero	12 months
Bank of America	Rewards American Express	Zero	12 months
Chase	Chase Perfect Card	Zero	6 months
Chase	Chase Platinum	Zero	6 months
Citi	AT&T Universal Platinum	Zero	12 months
Citi	Diamond Preferred Rewards	Zero	12 months
Citi	Platinum Select	Zero	12 months
Discover	Discover More Card	Zero	Until 2009
Discover	Miles Card	Zero	
HSBC Bank	GM Flexible Earnings	Zero	12 months
Pulaski Bank and Trust	Classic	Zero	6 months
Pulaski Bank and Trust	Iberia Bank Card	Zero	6 months
U.S. Bank	US Bank Travel Rewards Platinum	Zero	6 months
US Bank	Platinum	Zero	12 months
Washington Mutual	Platinum	Zero	6 months
Wells Fargo	Prime Rate Card	Zero	30 days

Discover	Open Road Card	Zero	None
Wells Fargo	Cash Back	Zero-5.90%	6 months
Wells Fargo	Wells Fargo Platinum Card	Zero-5.90%	6 months
Addison Avenue FCU	Cash Back Rewards	3.99%	6 months
Town North Bank	TNB Card	4.99%	6 months
Pentagon FCU	Platinum Reward	5.99%	Life of balance



### Appendix #3: Rewards - Cash Back

<b>Card name</b>	<b>Explain reward</b>	<b>Limits on reward</b>
<i>Addison Avenue FCU Visa Cash Back Rewards</i>	Earn 1% rebate on your monthly net purchases	1% rebate excludes any returns, cash advances, and balance transfers. Rebate is automatically deposited into membership account. No monthly or annual restrictions, caps, and thresholds. Unlimited cash back
<i>American Express Blue Cash</i>	5% gas/grocery/drugstore card. Until you spend \$6500 it's 0.5%/1% regular spending/GGD spending, then it's 1.5%/5%.	Unlimited cash back
<i>American Express Clear</i>	\$25 gift card every time you spend \$2500	No limit on rewards you can earn.
<i>Bank of America Cash Rewards Master Card</i>	1% cash back for purchases	No limit on how much you can earn
<i>Bank of America Platinum Plus Visa</i>	1% cash back for purchases made with credit card.	No limit on how much can be earned.
<i>Discover Open Road Card</i>	5% cash back bonus on your first \$100/month in combined gas and auto maintenance.	Gas/repair purchases cap at \$5/month in rewards or \$100 in spending. Forfeit bonus if account is closed, inactive for 18 consecutive months or you don't make minimum payment twice.
<i>Golden 1 FCU Visa Platinum Reward</i>	1% cash back on qualified purchases	Excludes cash advances and purchase credits. Default accounts forfeit accumulated rebates to receive rebate, primary cardholder must be an active member and maintain a Golden 1 savings account with required minimum balance.
<i>Wells Fargo Cash Back</i>	Reward is based on net purchases calculated by multiplying eligible purchase by: .025; first \$150, .050, next \$150; .075, next \$150; 1.00%; over \$450 (in a billing cycle)	Maximum that can be earned in a year is \$500. Can't be in default, have to be enrolled in Wells Fargo cash back program, can only be redeemed in \$20 increments

## Rewards – Travel

Card name	Explain reward	Limits on reward
<i>Discover Miles Card</i>	1,000 miles each month, earn unlimited miles	
<i>First Command Bank Platinum Visa Card</i>	ScoreCard Rewards Card	No fee
<i>US Bank World Perks Visa Signature Card</i>	15,000 one time enrollment bonus miles. 15% savings; free Emerald Club Membership. Free day on 3day weekend rental for National Car Rental	No cap on miles. No present spending limit.

## Rewards – Vehicles

Card name	Explain reward	Limits on reward
<i>HSBC Bank GM Flexible Earnings</i>	Credit on new GM vehicle purchase (also Merchandise rebates, Cash back). Redeemed only in \$100 increments.	There are no limits to the amount of Earnings you may acquire within an Account Year. Valid for seven years from the end of the billing cycle in which they were earned. Expiration after seven years will occur month-by-month.

## Rewards – Hybrid Awards (good for gas, travel, merchandise, etc.)

Card name	Explain reward	Limits on reward
<i>American Airlines FCU Visa Platinum Reward</i>	5,000 points first time card is used. Earn 1 point for every \$3 spent on signature-based products bought by check card. Earn 1 point for every \$1 spent	Awards delivered in 46 weeks. Account must be open and in good standing.
<i>American Express Optima</i>	Enroll in membership rewards express. Earn points for every dollar spent.	There's no limit to the number of points you can earn.
<i>Bank of America Rewards American Express</i>	World Points Rewards or Ultimate Access Rewards	Points expire every 5 years. No limit. Rewards start at 2,500 points.

<i>Capital One No Hassle Miles Hassle Platinum Rewards</i>	Earn miles 25% faster than with regular mileage cards with 1.25 miles for each dollar spent on purchases. Fly any airline, anytime, no blackout dates or seat restrictions. Get cash back and merchandise.	No limits on miles you can earn. Miles will not expire for life of account.
<i>Chase Freedom Plus Visa</i>	1 base mile for each \$1 in net purchases. Earn rewards, fast triple miles, triple points, or 3% cash back earned in the 6 categories where you spend the most each month 15 categories in all.	Merchant has to classify their merchant location. \$30 yearly program fee, waived the first year.
<i>Chase Perfect Card</i>	6% rebate for first 90 days; 3% rebate after 90 days for gas only. 1% on all other purchases. All the rebates you earn are automatically credited toward future purchases.	New purchases earning the 3% rebate are capped monthly at \$500-a \$15 rebate.
<i>Citi Diamond Preferred Rewards</i>	Operated under "Thank You Network" member account.	Can earn up to 75,000 thank you points during one calendar year. Expire after 5 years.
<i>Discover More Card</i>	5% cash back bonus. 5 to 20% cash back bonus at top retailers through shopping site. Up to 1% unlimited cash back bonus on other purchases.	1% unlimited bonus applies when total annual purchases exceed \$3,000. Warehouse purchases earn .25%. Bonus is forfeited on accounts that are closed, inactive or not paid for two billing periods. \$49/year to enroll. Account has to be in good standing. Credited a monthly basis. Points expire at the end of the calendar year.
<i>Everbank Ever Card Visa Platinum</i>	1 point for every dollar in eligible purchases. Unlimited points can redeem points in Points2U catalog.	\$49/year to enroll. Account has to be in good standing. Credited a monthly basis. Points expire at the end of the calendar year.
<i>HSBC PlatinumCash or Fly Rewards</i>	No annual fee. 1 point for each dollar spent on new net retail purchases charged.	Cash redeemed in \$25 increments. No earning caps. No spending requirements or tiers.

<i>Navy FCU goRewards</i>	Earn one point with every \$1 of net purchases. Rewards up to 1.7% return on each dollar spent.	Points expire after 4 years. No point limits. Start redeeming at 3,500 points.
<i>Pentagon FCU Visa Platinum Reward</i>	Earn 2% cash back on supermarket purchases. Earn 5% cash back from gas paid at the pump. Earn 1.25% cash back on all purchases each billing cycle.	Cash rewards credited every month. Up to 10,000 rewards per month or 60,000 per year 1.25% cash back refers to new purchases, not cash advances, checks drawn from the account, and balance transfers.
<i>US Bank Travel Rewards Visa Platinum</i>	2500 point enrollment bonus. Earn 1 point for net purchases dollar charged to account. Choice of tickets.	Annual fee \$55. Travel restrictions 21day advance booking with a Saturday night stay. Maximum dollar value levels for each redeemed ticket. Points capped at 120,000. Points and expire 5 years from date earned.
<i>Visa Platinum Reward (Scorecard)</i>	Earn ScoreCard points for dollars spent on purchases.	Points are available for 48 months as long as the loan against the ScoreCard points that have accumulated remains in good standing. May change at anytime without penalty
<i>Wells Fargo Prime Rate Card</i>	Credit Card – earn 1 point for every \$1 you spend. Check Card – earn 1 point for every \$4 you spend.(Excludes purchases made using your PIN).	\$19 annual fee for credit card only. \$29 annual fee to enroll credit card and check card. 60,000 per year credit card only. 120,000 per year credit card and Check Card. Points expire on the December billing statement 5 years from the end of the year they were earned.
<i>Wells Fargo Visa Platinum Card</i>	Optional membership can earn 1 pt for every \$1 spent \$19 (or 2000 points) a year for the card only.	Expires in 5 years (December from the end of the year they were earned).

**Appendix #4: *On the due date, at what time does my payment need to be there to avoid a late fee?***

<b>Issuing Institution</b>	<b>Cut-off time</b>
American Airlines-FCU	midnight
American Express	midnight
Arkansas National Bank	6 p.m. ET
Bank of America	5 p.m. ET
Capital One	3 days after due date
Chase	4 p.m.
Citi	5 p.m. ET
Discover	midnight
Everbank	midnight
Golden 1 FCU	9 p.m.
HSBC Bank USA	midnight
Pulaski Bank and Trust	midnight CT
Simmons First	2 p.m.
Town North Bank	before 4:30 p.m. central
US Bank	7 p.m. CT
Wells Fargo	midnight

**Appendix #5: *Phone Payment Fees***

<b>Financial institution</b>	<b>Fee to pay by phone</b>
Everbank	\$3.00
American Airlines-FCU	\$6.95
Arkansas National Bank	\$10.00
Digital FCU	\$10.00
Citi	\$14.95
Addison Avenue FCU	\$10.00 (if paying from an account at another institution)
HSBC	\$15.00
US Bank	\$10.00-\$15.00 if done with customer service
Bank of America	\$10.00-\$15.00
Discover	\$15 (posts same day)
Pulaski Bank and Trust	\$7.00-\$10.00
Town North Bank	\$8.00-\$15.00
Washington Mutual	\$9.95 (collections accounts) or \$14.95 (standard)

Appendix #6: **Expedited (Rush) Payment Fees**

<b>Issuer</b>	<b>By Phone</b>	<b>Online</b>	<b>Deadline</b>
Chase	\$14.95 (expedited and not expedited)	\$14.95	On the day the bill is due
Digital FCU	\$10.00		Next business day
HSBC	\$15.00 (same as non-expedited payment fee)	\$12.50	Online rush payments may be made within 2 days, and including the due date
Pulaski Bank and Trust	\$10.00		Posts that day
Washington Mutual	\$0.00	\$14.95	Through midnight on due date
Wells Fargo	\$5.00-\$10.00	No	Up to close of business on the due date.

Appendix #7: **Foreign transaction/currency conversion fees**

<b>Issuer</b>	<b>Fee (Percent of Amount Converted from Foreign Money)</b>
Addison Avenue FCU	1.00%
American Airlines-FCU	1.00%
Everbank	1.00%
First Command Bank	1.00%
Golden 1 FCU	1.00%
Navy FCU	1.00%
Pentagon FCU	1.00%
Washington Mutual	1.00%
American Express	2.00%
Pulaski Bank and Trust	2.00%
Simmons First	2.00%
Bank of America	3.00%
Chase	3.00%
Citi	3.00%
Digital FCU	3.00%
HSBC Bank	3.00%
Town North Bank	3.00%
U.S. Bank	3.00%
Wells Fargo	3.00%
Discover	Can't be used overseas
Arkansas National Bank	No fee
Capital One	No fee