



NEW YORK STATE SENATOR

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## Search for Better Credit Card Rates & Minimize Credit Card Debt

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### **Credit Card Search**

The New York State Banking Department allows you to search specific credit cards by name to find out information about interest rates, fees, and penalties. You can also learn whether the cards have a universal default clause. Under universal default, credit card companies can increase interest rates on your account if you make late payments to other credit card companies or pay a phone or utility bill late.

You can search credit card information by [clicking here](#).

### **Tips to Help Boost Your Credit Score**

Your credit score directly affects your ability to get credit or loans, as well as the interest rates you will pay. Credit scores can also influence whether you can rent an apartment, get insurance, or gain employment. Higher credit scores will enable you to get credit more easily at better interest rates. Here are some tips from the New York State Comptroller's office on how to improve your credit score:

- Get a free copy of your credit report & review and correct any errors: By law you are entitled to one free copy of your credit report per year from each of the three major credit

bureaus. You should review these reports to make sure there are no inaccuracies or errors, especially negative information that isn't yours. If you find errors, contact each of the three credit bureaus and file a dispute to correct them. Not only will this help your credit, it is also a good way to prevent identity theft. You can order your free credit report by clicking [HERE](#).

- **Make payments on time:** Your payment history counts for over 30% of your credit score. The longer your history of having credit and paying bills on time, the higher your credit score will be. The later your payments, the lower your score. Closing an account with a late payment history will not help your score, because it will continue to show on your credit report.
- **Pay down your credit card:** Paying down your credit card debt has a bigger impact on your score than paying off installment loans like mortgages, auto, and or student loans. Continually making payments on time demonstrates that you can use credit responsibly.
- **Use your credit cards lightly:** Limit the use of each of your credit cards to 30% of the card's credit limit. Having too many maxed out cards could lower your score.
- **Do not apply for new credit cards too frequently:** Whenever you apply for a new credit card, the creditor pulls a copy of your credit report. Too many inquiries in a short period of time may signal to creditors that you are in need of money.
- **Negotiate for a lower interest rate:** Paying less interest each month, by negotiating for a lower interest rate, means having more money available to pay down your outstanding balance.
- **Deal with collection agencies:** Paying collection agencies for overdue debt will not improve your score unless it lowers your total outstanding debt. Negotiate with collection agencies to have them mark the account "paid as agreed" or to have the negative mark

removed from your credit report.

- Do not close old accounts even if you do not use them: Older accounts demonstrate stability and a track record of on time payments. Canceling lines of credit can hurt your credit utilization ratio and in turn lower your credit score.
- Do not ruin a good thing: Once you have established good credit, keep it that way. Continue to pay your bills on time and limit your exposure to debt.

### **Getting a Handle on Credit Card Debt**

The New York State Comptroller's office offers the following ways to minimize debt costs.

- Always pay your bills on time: This directly impacts your credit score and is an essential part of keeping your debt costs as low as possible. Some credit card companies use a “universal default” policy where they monitor your credit report and use any late payments they see, on other credit cards, auto loans, mortgages, or even phone and utility bills, as a reason to increase your interest rate—even if you have always paid that bill on time.
- Pay more than the minimum: Paying as much as you can above the minimum will make a big difference in how long it takes you to pay off your debt.
- Monitor interest rates: Interest rates make a big difference in how much your debt will cost you over time. Shop around for lower interest rates, and be aware of special conditions or fees that can be associated with low promotional rates. Try to negotiate a lower rate with your credit card company.
- Know your credit score: Credit scores range from 350 to 850. The higher you are able to boost your credit score, the better interest rates and benefits you will qualify for. You are entitled to a free copy of your credit report from each of the three major credit bureaus. You

should review this for accuracy, look for any sign of identity theft or fraud, and report any errors. Do whatever you can to boost your credit score. To request a copy of your free annual credit report, click [HERE](#).