

BALANCE TRANSFERS & CONSOLIDATION LOANS

Essential Facts at a Glance

BALANCE TRANSFER



Moves debt from one credit card to another.
Introductory rate: low for a limited time.
Check the fee, deadline and regular rate afterward.

Clear it before the offer ends.

CONSOLIDATION LOAN



One new loan pays off several debts. Then you repay the loan.
A fixed rate stays the same; the loan has a set end date.

One payment. Still a debt.

COMPARE THE OFFER



Compare APR with APR.
Loan APR includes the origination fee. Check approval, credit limit and purchase terms.
Compare total cost and payoff dates.

Lower payment can cost more.

TRANSFER EXAMPLE



Card C: \$5,000 at 27% APR.
Offer: 0% for 18 months.
3% fee = \$150.
New balance: \$5,150.
 $\$5,150 / 18 = \text{about } \$286/\text{month}.$

A payoff plan, not a minimum.

LOAN EXAMPLE



To receive \$8,300 after a 5% fee: Borrow about \$8,737.
14% fixed interest; 36 months.
About \$299/month.
APR: about 17.65% with the fee.
Interest + fee: about \$2,450.

Fee is deducted before payout.

THE WHOLE PLAN



Transfer plan: about \$376/month to start. Includes Card A \$25 + Card B \$65 + transferred Card C about \$286.
Loan plan: about \$299/month for all three cards, for 36 months.
Transfer's 18-month goal covers Card C only.

Avoid new card debt.

BEFORE YOU CHOOSE

- 1 Count every fee.
- 2 Check the full payment.
- 3 Compare payoff dates.

Pick a plan you can finish.

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