

LOOKING FOR A NEW CREDIT CARD? SOME THINGS TO KNOW:

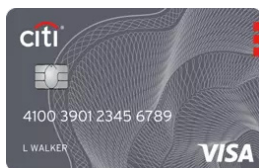
We thought it might be useful to provide links to some resources for finding the best deals when it comes to credit card rewards as well as point out things to look out for when considering opening a new card account.

The obvious question when looking for a new card is how the rewards compare to other choices. Not so obvious however, are the detailed terms of the rewards programs, the impact that new accounts have on factors like your credit score, and the potential loss of points from discontinuing or closing old credit cards.

Below we have highlighted a few major considerations. Please understand that we are not incentivized to recommend any particular card. Card programs are always changing, and many financial institutions offer temporary or permanent incentives for their existing or new customers. If you have banking, investment, or loan accounts with multiple firms, it is always a good idea to check with those firms to see what exclusive offers might be currently available.

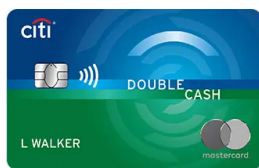
Best Features and Rewards

Many “best lists” for credit cards can be found on the internet - some of which are quite long. Here is a short list featuring three of our personal favorites:



Costco Anywhere Visa® Credit Card by Citi

The Citi Costco Card offers Costco credit of 4% for eligible gas purchases and 3% for eligible travel and dining.



Citi® Double Cash Credit Card

The Citi Double Cash card offers 2% on all purchases – 1% when you make a purchase and 1% when you pay your card balance, when you request your rewards according to the terms.



Chase Sapphire Preferred® Card.

The Chase Sapphire is great for frequent travelers, offering a large points bonus, premiums when points are redeemed for statement credits for certain travel and other select services, and premium travel protection benefits.

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Read the Terms!

Receiving the rewards advertised often requires complying with some specific terms. With the Citi® Double Cash Credit Card, the 1% awarded at balance payment is not available if you redeem your reward via statement credit. With the Costco card, the 4% for gas does not apply to gas purchased at grocery stores. Many cards limit the points you can earn in any one category over certain periods of time. It can be a lot to keep track of at first, but once you familiarize yourself with the terms it's not too difficult.

Combining Cards

One strategy is to use a combination of cards to maximize benefits. For example, if one card offers a range of rewards from 4% down to 1%, depending on the category of purchase, it might be good to use that card for anything that earns 3% or 4%, then use a card that offers 2% on all categories for your other purchases.

FICO Scores

Opening a single new card account is unlikely to affect your credit rating too drastically. But multiple new accounts within a short period of time will likely result in a noticeable reduction in your scores. Not only is opening several accounts in a short period of time viewed as risky by credit agencies, the FICO calculation considers the average age of your credit accounts. Having more new accounts relative to older ones will affect that average.

In addition, FICO scores consider total credit accounts with outstanding balances – the more you have, the lower your score. If you are opening a new account, it might help to discontinue the use of an older card. However, even if you no longer plan to use the older card, keeping it open will help increase the average age of your accounts.

FICO also considers your outstanding credit relative to your total available credit, which also favors keeping cards open that you're not using. Requesting credit limit increases on your accounts can also help with this calculation (as long as you don't increase spending at the same time.) Many cards will automatically increase your credit line over time but making the specific request can often expedite those increases.

Lost Points

Even if you're not planning to continue using an older card, another possible advantage of keeping the card is the ability to retain any accumulated points. Many cards have points that never expire, but those points will be lost if not used before closing the account.

With any financial decision you're facing, we are available to help when you're considering a new credit card. Please feel free to reach out to us!