

What Price Credit Revisited

Stanley Greenfield, RHU

It's been quite some time since I've commented on one of my favorite subjects, plastic. Yes, plastic -- not the kind made by Mattel, but the kind produced by banks, the infamous credit card. The key to your financial future, or as misused by a few of us, the direct route to financial disaster. Like many people, I am bombarded daily by friendly bankers from the far corners of the United States with letters describing the card they have "just for me," pre-approved, ready to go. Just sign on the dotted line and it's all mine. I normally "file" these letters in the appropriate place and go on with my life, but some card offers bear mentioning.

How many of you are "frequent flyer" or "mileage plus" members of your favorite airline? How would you like a card that credits you one mile for every dollar you charge? Sound interesting? Read on. Yes you can have such a card and that's the "good news." The "bad news" is that the annual fee for such deals range from \$50 to \$100, and the interest rates charged are no bargains either. If you still want the mileage credit, then give them a call. For your convenience, I've gathered a list of numbers for you:

TWA Visa 1-800-433-3369
United Visa 1-800-537-7783
Pan Am Visa 1-800-243-4362
US Air Visa 1-800-627-9933
Delta No card available

If you do decide to use such a card, you should pay off the balance each month so the interest charges don't eat you alive. Also, pick an airline that's going to be around.

I received an interesting ad in the mail the other day that caught my eye. This one came from the Prudential Bank in Atlanta, Georgia. I was intrigued to see a solid financial institution, such as Prudential, with a banking subsidiary. Based on that, I read the material and I'm glad I did.

The Prudential bank offers cards in the usual flavors, Visa or Mastercard, and in high test, a Visa Gold card. Their cards meet all the criteria I look for in a credit card -- a low annual fee and a low interest rate. These are the two most important factors with every piece of plastic you carry in your wallet. Both the standard and gold cards have no first year fee, with annual fees on \$19 and \$35, respectively, thereafter. Both have an annual percentage rate (APR) of only 10.9 percent until June 1, 1991. After that, the standard cards will have an 18.9 APR, and the gold card will offer a 16.9 fixed APR. Each card offers automatic travel accident insurance, free of charge.

The gold card gives you auto rental/collision damage insurance, purchase security, and extended protection on most purchases. Both come with the usual package of goodies you get on most cards. One feature that I liked was extra cards for family members at no additional charge. It irks me when a card issuer says you can get another card and then charges you for it. The real key though was the low

annual fee and the low interest rate.

By the way, the Prudential bank is an interesting operation. It's a non-traditional bank. It carries out all operations from its Atlanta location -- no costly branches to increase overhead. They do business via postage-paid mail, or toll free numbers. The bank is covered by the Federal Deposit Insurance Corporation, better known as FDIC, and offers a full line of services: CDs; money market accounts; and they have home equity loans with varying interest options. It's worth checking out. If nothing else, you can see if your "good deal" is really as good as it should be. Sort of a second opinion. It's well worth the phone call. And it's not even on your nickel.

If you have a qualified retirement plan, ask them about their collective trust package of investment options, from safe to relatively high risk funds.

The Prudential bank is not a small operation that you need to be concerned about. It has over \$1.3 billion in assets; it's a "rock-solid" subsidiary of the Prudential Insurance Company of America. If nothing else, give them a call at 1-800-322-2369, and request an application for a credit card -- the flavor and color of your choice.

Your comments and inquiries may be directed to:

Stanley Greenfield, R.H.U.
7240 Swansong Way
Bethesda, Maryland 20817

Please include a self-addressed, stamped envelope. Thank you.

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