



September 2009 | Vol. 9, No.3

Welcome! Last issue, we talked about taking charge of your money. In August new credit card rules began taking effect (with more coming on line in February). So here's another area that you should be monitoring to ensure you have control.

Enjoy the crisp, cool days of fall and stay On Course!

A handwritten signature in cursive that reads "Jennifer".

-Jennifer Lane, CFP

New Credit Card Rules

The first changes in the new credit card rule took effect August 20. The rest will start in February 2010.

The new rules are designed to protect consumers, prevent large interest rate increases, minimize fees, and provide better notice of changing terms. See NewCreditRules.com for updates.

How the changes affect you

- You will no longer have to pay retroactive interest rate increases on your existing balances.
- The credit card companies now have to send you your bill 21 days in advance of the due date.
- You will get greater advance notice of changes in credit card terms like credit line and interest rate changes, and fewer penalty fees, late charges, and interest payments.

To get ready for the new consumer friendly rules, the banks are cleaning house.

Look carefully

Keep an eye out for any communication from your credit cards companies. It may look like junk mail! But the information is crucial in deciding whether your credit card is still the right one for you. If you decide you want a different card, go to LowCards.com or CreditCards.com to research rates, fees, and penalties.

Banks are watching you

The banks are deciding which customers they want to do business with so behavioral profiling needs to be on your radar screen. Your credit card company collects a lot of data on you. Some banks may be using profiling and your spending patterns, e.g., changing from upscale to discount stores may draw a red flag, to decide whether to change your account terms. This story hasn't gotten a lot of [media attention](#) yet. For now, if in doubt, use cash.

Bottom Line

The rules are designed to help consumers, but you still have to be proactive and make sure your credit cards are working for you - not the credit card companies!

Q&A

Q: From Michael in Sudbury: I want to get our nanny a credit card to use so I don't have to give her cash every time she's shopping for us or taking the kids to activities. I called Capital One, and I can add her on as a user to my account, but it doesn't break out her transactions and I cannot limit her credit so she would have access to \$30K.

A: Checkout the employee card from American Express. The card carries an annual fee, but the convenience and control will likely be worth it. Transactions are broken

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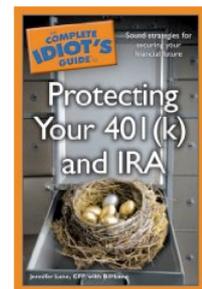
[Tip: Protecting Your 401\(k\) and IRA](#)



Jennifer's Hint

Many 401(k) plans offer loans and hardship withdrawals. Consider this important feature if you have only a small amount of liquid savings or a lot of debt. Roll the money from your previous employer's 401(k) plan into your new 40k(k) to make the larger balance available in case of financial catastrophe.

Get more tips from Jennifer's book



Helpful Websites

LowCards.com
CreditCards.com
NewCreditRules.com
GetRichSlowly.com



out separately on your statement and you can put a limit on the amount she can charge to the card.

What's New

Jennifer Teams with City of Boston for the ONEin3 Money Campaign

Jennifer is teaming with the [City of Boston](#), [ONEin3Money.org](#), and [Mint.com](#) to provide young people in Boston with a place to learn about financial planning, savings, and budgeting. Jennifer will provide exclusive content to the ONEin3Money.org website.

Jennifer will kick off the ONEin3 Money road show in Dorchester on October 21, bringing her vast experience and knowledge directly to the young people of Boston.

[Compass Planning Associates](#) helps families, individuals, and small-business clients achieve financial security, knowledge, and control over their money. Our **fee-only, client-centered approach** provides education and guidance for achieving financial goals and dreams.

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