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Others are transactional costs companies pass on to their customers for services they provide. Does that mean you should cut up your credit cards and start using cash for all of your purchases? Not if you value the convenience and purchasing power a credit card provides. The good news is that most credit card fees can be avoided. Here's a list of seven of the more common fees you might be charged and what you can do to minimize or avoid them. 1. Late Fees Time is money, and when you don't make your payments on time, it costs the credit card company money. To help cover their costs, card-issuers typically charge a fee for late payments. And those fees can add up, especially if you frequently don't pay your bill on time. By law, companies can charge a fee of \$28 the first time your payment is late and up to \$39 if your payment is late more than once in a six-month period. To avoid paying this fee, make your payments on time every single month. By the way, even if you make a payment on time, but it is less than the minimum amount due, it will still be considered a missed payment. So make sure your payment is for at least the minimum amount due. If you're forgetful and can't seem to ever get your payment in on time, consider setting up an account alert before your payment is due so you don't forget. Not only will you save money on late payments, it could prevent your credit score from taking a hit. 2. Cash Withdrawal Fees It can be tempting to cash those convenience checks you get in the mail from your credit card company or use your card to get a cash advance at an ATM or bank. Yes, it's convenient; just know that it'll probably cost you. Most card-issuers charge fees when you get a cash advance. Plus, the interest rate you'll pay on a cash advance is often higher than what you'll pay on regular purchases. 3. Interest Charges Credit cards often have higher interest rates than other types of loans or lines of credit. In fact, in the first quarter of 2019, the average credit card interest rate was 15.09%. But paying interest on purchases you make with a credit card is often optional. If your credit card has a grace period, if you pay your balance in full each month, you won't accrue interest charges. 4. Expedited Shipping Fees Whether you've just been approved for a new credit card or you're anxiously awaiting the replacement of an existing one, it may take up to 10 business days to receive your card with standard shipping. If you don't want to wait that long, many companies offer expedited shipping for a fee. Don't want to pay the fee? Wait the few extra days it takes for your card to arrive without upgraded shipping. 5. Statement Copy Fees Need a copy of your credit card statement from a few months back? Your credit card company can probably get you one, but you may have to pay for it. It takes time to have an employee go through old records, pull the statement, print it, and mail it, so many companies charge for this service. A better option is to pull it up on your account yourself, if it's still available online, and print a copy with your own printer or save it digitally. 6. Foreign Transaction Fees Planning your dream vacation abroad? Check your card's terms and conditions before you leave. Many credit cards charge foreign transaction fees when they're used in a foreign country, which can add to the price of each purchase you make. A favorable exchange rate from your credit card company may more than offset these fees, say if you were to use cash instead, but it still pays to check before making international purchases with your credit card. 7. Annual Fees Annual credit card fees are fairly common, especially with rewards cards or credit cards that cater to those with little or no credit history or less-than-flattering credit. In the first case, credit card companies often charge a yearly fee to help cover the administrative cost of running the rewards program. If you're thinking about getting a rewards card to take advantage of travel miles, cash back, or other perks, make sure the rewards you expect to earn offset the annual fee. If not, it may not be worth it. Banks that issue credit cards to people with lower credit scores are assuming more risk than those that only approve applicants with higher scores. More risk means a higher likelihood of missed or late payments, more costs to collect past-due payments, and higher rates of default. To lessen their risk and recoup these additional costs of doing business, credit card issuers may opt to charge cardholders an annual fee. Although credit card fees can add up if you're not careful, many of them can be avoided with a little planning and effective account management. To minimize the fees you pay, stick to using your card for reasonable purchases, think twice about cash advances, charge only what you can afford to repay each month, and consistently make your payments on time. About the author: Jennifer Brozic Jennifer Brozic began her writing career at seven years old, when she scribed the epic tale of her kite-flying (and skyward-looking) uncle crossing paths with a deep hole in a sandy beach. After earning a degree in journalism, Jen worked in the insurance and financial services industries before earning a master's degree in communication management. She left the nine-to-five corporate world in 2010 and has been freelance writing ever since. Her areas of expertise include insurance, financial planning & budgeting, and building credit. Recommended Articles Credit Card Annual Fees and Why They're Charged 7 Reasons to Make at Least the Minimum Payment on Your Credit Card

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