

Lowering Your Credit Card Interest Rate

Credit card companies have a department that is devoted to keeping your business—the Retention Department.

Your Best Case Scenario

1. You have a good credit score.
2. You are current on your payments.
3. You have received an offer in the mail from another credit card company.

Good News!
Credit card companies want your business.

If this is your situation, first gather your paperwork: copies of a few months of bills showing your current and/or increased interest rate, and an offer from a competitor. Then call the number on the back of your credit card and ask for the Retention Department. Your call will be put through to a very nice person who very much wants to keep your account.

SAMPLE SCRIPT #1 CURRENT RATE TOO HIGH

You: "I just received this incredibly great offer in the mail for a new credit card that has an introductory interest rate of only 4.9%. I don't really want to switch cards, since your service has been great. But even though I've had your card for three years, I'm still paying 20% on any balance. I will have to transfer my balance unless you can lower the interest rate."

SAMPLE SCRIPT #2 INTEREST RATE RAISED

You: "I have been a loyal customer for many years and my finance charge was raised even though I am current on my account. Your competitor has sent me a great offer." (Read from the offer in your hand) i.e. "They are offering to transfer my balance free of charge and give me a low introductory rate of _____ for _____ months."

Polite Persistence Pays!

At this point, the representative should offer to match that rate for a certain amount of time—the longer the better. If he/she doesn't make you a good offer, call back later. The next day try again with a different customer service representative. Be polite and persistent. Don't give up, keep trying.

Your Second Best Case Scenario

1. You almost always pay on time.
2. You have been a customer for many years.
3. You may or may not have a competitor's offer in hand.

Gather your paperwork: copies of a few months of bills showing the interest rate. As explained above, call your credit card company and ask for the Retention Department. Again, your call will be put through to someone who wants to keep your account. Politely explain your situation and ask what they can do. If they cannot help you, call back another day and try again with a different customer service representative.

Very Important:

- Get names (first & last), direct phone numbers, address, and email of the person to whom you are talking.
- Write down all details of what was said, and repeat it back to them to be certain of no misunderstandings.

Competition in credit cards today is intense and they do not want to lose you as a customer. Credit card companies are highly profitable businesses only if the customer stays around for a while. So, at least try.

You have nothing to lose and much to gain.

REMEMBER

Fill out your
Negotiations Log sheet
so you have accurate
records of your calls and
what was discussed
and/or decided.