

## FOR IMMEDIATE RELEASE

### TAKE INTEREST IN THE DETAILS OF “NO INTEREST” OFFERS

Most everyone loves to get something for nothing. For many consumers, this is what “no interest” financing offers represent—at least for a specified time. However, for those who blindly sign on the dotted line, “no interest” financing can become costly. Here are some things to consider when you receive an offer that seems too good to pass up:

- **Read the find print.** While zero percent financing sounds wonderful, if you fail to pay the balance upon deadline, you may be responsible for all the interest that would have accrued up to that point, in addition to the continued accrual, which could be 20 percent or higher. Carefully examine the contract to make sure you understand your responsibilities.
- **Consider your credit report.** A “no interest” loan will immediately appear on your credit report, even if you do not have a payment due for six months. This could affect your debt-to-income ratio and impact your ability to obtain another loan.
- **Shop around.** Compare retailers, pricing and quality of the item under consideration, against several of its competitors. Be careful not to overextend yourself by paying too much for an item, even when zero percent financing is offered.
- **Wait on the purchase until you can pay with cash.** To avoid loan pitfalls all together, the best advice is to wait to make a major purchase until you have the cash to pay for it immediately. After all, a transaction paid in full is always “no interest.” Do not commit yourself to payments you will be unable to meet.
- **Plan for pay-off.** If you decide to make a purchase with “no interest” financing, you’ll need to plan for pay-off. First determine how many months you have until the finance charges begin, then divide the total amount you owe by the number of months to determine a monthly payment figure. Saving this amount each month will ensure that you are able to pay the debt before interest charges are applied.

“You must make absolutely certain that a payment for the balance is in the creditor’s hands by the due date,” said Rudy Cavazos, director of corporate and media relations for Money Management International (MMI). “In fact, give yourself a cushion by sending your payment a week early. That way, your “no interest” loan won’t haunt you years down the road.”