2 Telephone payment fees Some cards charge a fee if you use your pay-by-phone banking service.

3 Late payment fee Could be as high as $39. If the mail gets there five minutes late, ouch! Some cards have a sliding scale, and for any balance over $1,000, you're nicked for the highest fee.

4 Annual fees as high as $135, often for a rewards program But many cards are shouting "No annual fee" to distract you from their other fees.

5 Transaction fees up to 5% for cash advances Want a quick $100 from an ATM? Watch out for a $10 minimum charge. Maximum? Read the agreement. And remember, cash advances usually come at a higher interest rate.

6 Over-the-credit limit fee up to $39 Again, there's often a sliding scale. One trap: You transfer an old balance of $10,000 to the new card, thinking you'll get the $25,000 credit limit you applied for. You get your new card in the mail, don't realize the new approved limit is still $10,000, and use your new card the next time you stop for gas. That one tank full sends you over the credit limit and bingo! Your new card pockets a quick $39.

7 Travel penalty If you charge purchases outside the United States, Visa and MasterCard usually add a 1 percent currency exchange fee. Some banks tack on an additional 2 percent. So after that dream vacation, a wake-up welcome home. Know before you go.

Why reading the fine print matters.

Penalty fees alone average $113 per year for every American household. But jumps in the interest rate can cost you thousands of dollars over the years.

What else to watch for?

Jumping through hoops for rewards, miles, and points. If a card promises paybacks, are they worth the price and effort?

There are no hard-and-fast answers. It depends on your life choices.

And whether you have the diligence to tease the true meaning from red flags like "some restrictions and limitations may apply." Compare offers carefully.

All rebates are not created equal.

Some cards will give you 20 times more rebate when you buy gas, for example. And not necessarily the oil company's card. But with that rebate may come tricks like a two-cycle billing method. Look at the disclosure box on your statement for a "method of computing the balance for purchases." It should read "average daily balance (including new purchases).

Don't pay the minimum—pay the maximum.

When your monthly statement comes, there's a great temptation to pay only the minimum. Don't do it. In recent years, cards have dropped the payment required from 5 percent to around 2 percent or 3 percent of the balance. It takes years, even decades, to pay it off. If you possibly can, pay the balance in full every month. You'll establish an excellent credit rating.

Checking your credit report.

Your credit rating is the numerical score you're given by any of the three major credit reporting agencies. Usually the higher your score, the lower your credit card interest rate will be. So check your rating regularly.

If it sounds too good to be true, it is.

Credit card offers are everywhere. Separating the good deals from the bad and the ugly is a never-ending challenge. And once you're wise to today's card tricks, the dealer will change the rules again, maybe even the game.

The rule of thumb is simple: if an offer sounds too good to be true, it is. So don't let the big hype distract you from the fine print.

We're not saying don't use a credit card. Just know what game you're getting into, what the house rules are, and when to get up from the table.

For credit information from the U.S. government, go online to the Federal Trade Commission report on credit: http://www.ftc.gov/bcp/conline/edcams/credit/index.html. For details, go to:

Watching for Credit Card Tricks

A spin-free guide to reading the fine print in credit card offers and agreements.

9 card tricks that raise rates.

Americans have racked up over $800 billion in credit card debt. The credit card companies continue to feast on record profits as they push penalty interest rates as high as 30 percent. And sometimes higher.

Despite federal laws and regulations written to protect the consumer, most credit card companies are endlessly inventive in finding new ways to collect more and more of your money. They're all legal. Tricky sometimes, but legal.

So if you're playing their card game, better know the rules. Read the fine print in the offers, agreements, statements, and special notices.

You'll discover the advertised interest rates are subject to change, often popping up to catch you by surprise. Some card tricks to watch out for:

1 Late = raised rate A late monthly payment can raise your rate in a flash. And that limited-time, super-low introductory rate you got on a balance transfer will disappear.

Tip: mail at least a week in advance of the due date, and use the pre-addressed envelope. Hand-addressed envelopes could be held up in the mailroom and count as a late payment.

2 Cash advance means rate advance You might pay one rate for purchases and a higher rate for cash advances. Some card companies don't penalize you if you use their "convenience" checks, yet charge 19.99% APR if you use an ATM for a cash advance.

3 Rate bait The rate you apply for isn't always the rate you get.

For example, the application might advertise 5.9% APR. You sign up, your card arrives, and—surprise! A new agreement.

With a higher rate. Maybe 15.99% or even 24.99% APR. What counts isn't the rate you apply for; it's the rate the credit card company gives you. Another surprise: the offer says you're pre-approved for up to $50,000, but the agreement might come back authorizing $500.

There's a lot of wiggle room in the words "up to."

4 Higher APR dangers Many agreements "allocate your payments to balances (including new transactions) with lower APRs before balances with higher APRs." Example of a trap: if you accept a cash advance at 19.99% APR, but your rate for purchases is 5.9% APR, interest on your cash advance could bury you under a mountain of debt, even though you're paying the monthly minimum. Why? Because not one penny goes toward the $2,000 cash advance until all of your $8,000 debt for purchases has been paid for.

5 Fast buck Card companies can jack up their rate, or change the terms, any time they choose, with just 15 days' notice. You won't like it, but it's legal. One solution: when you get the notice, stop using the card immediately; you'll be entitled to pay off the balance at the old rate.

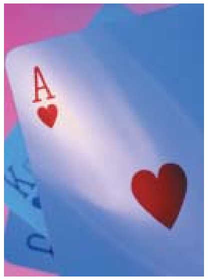
6 Zero today, double-digit tomorrow Blink, and time's up for your introductory rate on balance transfers. In its place,
a much higher APR. Is it worth it in the long run? Decide before you switch.

7 Tiered rates As you charge more purchases, your interest rate can jump to the next level. Stay away from tiers. Real rates are often not clearly disclosed in the offer.

8 Variable rates They seem attractive when you sign up. And could save you money. Or punish you later. It all depends on which direction rates head, up or down. And how fast.

9 Credit rating dips, APR soars Any negative hit on your credit rating can send your APR soaring, even if it has nothing to do with your credit card. For example, if you're late paying your electric bill, your credit card rate might go up. Or if you expand the credit line on your home equity loan. Or take on a bigger mortgage. Or take out a loan for a new car. Or sign up for a store card to get its "15 percent off on Tuesdays" deal.

7 card tricks with fees attached.



The credit card industry doesn't generate its massive profits from interest alone. Heftier fees are fattening their wallets. Watch out for late fees now averaging about $35 and often hitting $39. Over-your-limit fees can nick you for $39. Cash-advance fees have climbed to 3 percent of what you borrow—plus interest, minus any grace period. All cards charge fees. But some come with fewer, lower fees and more reasonable terms. Weigh the best balance of interest, fees, and rewards for your individual situation.

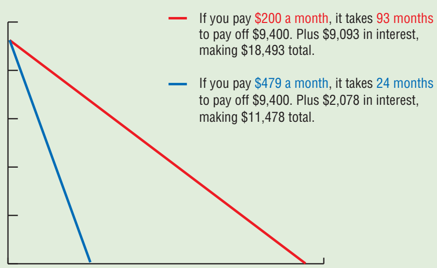
Watch for pitfalls and traps. Hidden in the dense forest of terms, conditions, and disclosures, some cards wait in ambush with tricks like these:

1 Balance transfer fees

A 3 percent charge is not uncommon for transferring the balance on your old credit card to a new one, usually to get a lower interest rate. For every $1,000, it would cost you $30. Transfer $10,000 and you could pay $300. Look for a cap. Even with a cap, you might pay $75 or more. Decide if it's worth it.

What happens when 0% APR jumps to 19.99%.

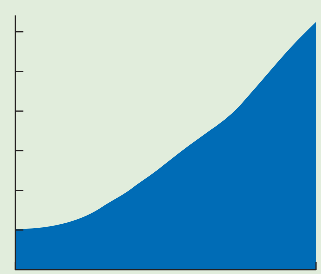
You shift $10,000 to a new card promising 0% APR introductory rate. You pay $200 a month for three months, bringing your balance down to $9,400. So far, so good. Then you're a day late with your payment and the rate jumps to 19.99%.



As you can see, paying less each month means paying $7,015 extra in interest. A high rate like 19.99%, combined with a slow payoff, gets extremely expensive.

How a $2,000 cash advance could turn into a $12,373 debt

You switch your $8,000 balance to a new credit card offering 5.9% APR. Then you use your new card for a $2,000 cash advance at 19.99%. But you don't see the fine print that reads, "Allocates your payments to balances with lower APRs before balances with higher APRs."



So while you're chipping away at the $8,000 balance for purchases for 10 years, that cash advance is quietly turning into a mountain of debt.