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Credit Card Tricks, Part 3

Mail Madness Trap

The mail madness trap is a no-win situation that a lot of other consumers find themselves subjected to with credit card companies. This trap has to do with you getting your payment in on time when you are sending it through the mail. Some credit card companies have fine print notices that state that they can legally count your credit card payment as having been received many days after it actually arrived at the company. How is this possible?

Well, the credit card issuers give you a notice that basically says you have to use their envelopes or else risk late payments and other penalties. Let's say you turned in your credit card payment on the fifth, the date when it was due. But let's also say that you just used a plain white envelope to mail your check, and you didn't send that payment inside the self addressed, preprinted envelope that the company provided – to route it to their payment processing center or wherever they want checks sent. Well, legally, just because you didn't use what they deem to be the proper envelope, your payment will not be considered to have been received in their office for another three to five days after the time that they actually received it.

I know it sounds crazy! But you actually passively agree to this-and other terms spelled out in your credit card agreement – when you accept the card and then use it without contesting these conditions. What do you think happens to consumers who fall into this mail madness trap? Untold thousands of people probably make their payments on time, but just because they didn't use the company-dictated envelope, they get slammed with late payments.

For all you know your payment sits around the mailroom for a day or two before it ever gets processed.

And here's where things get even trickier. Most credit card companies will specify not only the date by which your payment must be received, but also the time by which it is due on that date. For instance, your payment due on the fifth might have to be processed in their office by noon. Now let's say the mail gets delivered every day at 2 pm – bam! You get hit with a late fee if you get your payment in on that day. Even if they mail gets delivered by 10 am daily you still might be subjected to potential late fees, if, for instance, the mail guy doesn't even sort the mail and bring it to the appropriate department until sometime past that noon deadline.

Late fees are huge these days. They represent a very big profit center for credit card companies, in the tens of billions of dollars. In terms of fee income, this is one of the ways that consumers get tripped up and credit card companies get rich. So take care to get your payments in well before the printed due date and time shown on your credit card statement.