

5 Credit Card Fees to Avoid at All Costs

When it comes to credit card fees, there is actually a lot that credit card users can do to reduce or eliminate them. In fact, cardholders can avoid paying these fees altogether when they choose the right cards and use them wisely.

Here are the top five credit card fees, and how to avoid them.

1. Annual Fee

Choose a card with no annual fee, or choose a card that has rewards that outweigh the annual fee.

2. Foreign Transaction Fees

Credit card issuers exchange currency at an interbank exchange rate, which is the best possible rate. And actually, they impose these charges on any transaction processed outside the U.S., even if it's in U.S. dollars. Nevertheless, most banks choose to tack on a 3% [foreign transaction fee](#) to all of these charges. Thankfully there are now many cards without this fee, and several banks that never charge it.

3. Late Fees

In most cases, cardholders must take responsibility to make their payments on time in order to avoid this fee. Setting up automatic payments makes it impossible to forget a payment while paying electronically avoids the risk of having a check lost in the mail..

4. Cash Advance Fees

Most cards have a cash advance fee of 3%. Additionally, a higher APR will be charged on the cash withdrawal, and there is no grace period. To avoid paying this fee, *never use a credit card for a cash advance.*

5. Balance Transfer Fee

Most credit cards that feature 0% APR promotional financing on cash advances also have a 3% balance transfer fee. Be careful! Most credit cards also feature interest-free financing on new purchases. If you absolutely must finance a purchase with a credit card, use a 0% offer on new purchases only.

Credit card fees may always be with us, but we don't have to pay them. By taking the right steps to avoid paying unnecessary fees, you can enjoy these powerful financial instruments for free.

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