

## New Realities, New Directions for Credit Cardholders

### 3 ways to avoid pitfalls of interest rate increases

**1. Keep only the credit cards you really need and then periodically use them all.** Some consumers have too many credit cards. Among the concerns: Those extra cards can lead some people to overspend. Also, having many cards with no existing balance or a very low balance can reduce your credit score because prospective lenders can conclude that you have the potential to use them and get into debt.

For the average person, two or three general-purpose cards are probably enough. Consider cancelling and cutting up the rest. However, also remember that closing a credit card account can temporarily lower your credit score, especially if the cancelled card was one you owned and used responsibly for many years.

With the credit cards you do keep, remember to avoid large balances on them in relation to the credit limit.



**2. Take additional precautions against interest rate increases.** For example, while card companies cannot increase the interest rate on existing balances except in certain circumstances, they may raise rates on extensions of credit for new purchases as long as proper notice is provided.

Rate increases also may come in another form. For example, some fixed-rate cards may be converted to variable-rate cards after a notice has been sent to cardholders. This would result in variable rates being applied to new balances.

Also, carefully read the terms of a new credit card before using it. If the card has a high interest rate or fees, shop around for a better offer.

**3. Be cautious with “no-interest” offers.** Many retailers, such as electronics or furniture stores, promote credit cards with “zero-percent interest” on purchases for a certain amount of time. These cards allow you to buy big-ticket items, perhaps a sofa or a stereo system, without paying interest for anywhere from six months to more than a year. While the chance to avoid interest payments sounds like a terrific deal, keep in mind that if you don’t follow the rules for these offers, this “no-interest” special could end up being expensive.

The reason is, with many of these offers, you must pay off the entire purchase by the time the promotional period ends to take advantage of the zero-rate offer. If you don’t, the lender will charge you interest from the date you bought the item. You would then have to pay interest — at the lender’s standard rate — from the date of purchase. And if the Annual Percentage Rate or APR on the retailer’s card is higher than what you would pay on another card you have, the extra costs could really add up. The APR is the cost of credit expressed as a yearly rate, including interest and other charges.

For more tips on managing credit cards, visit the U.S. government website, [mymoney.gov](https://www.mymoney.gov). 

## Saving for Retirement

Financial needs change through all stages of our lives. The one constant focus as we age should be on saving for retirement years. As you begin your retirement plan, there are a number of things to consider.


Retirement has many logistical aspects, and one of those is saving. [USA.gov](https://www.usa.gov) provides things to consider as you plan your retirement savings.

Starting early and saving on a consistent basis should help you move toward the savings amount you need. The amount to save for retirement will depend on your needs and specific situation. The United States Department of Labor has ideas and tips in their '[Top 10 Ways to Prepare for Retirement](#)'.

For more tips, visit: [fdic.gov/resources/consumers/consumer-news/2022-01.html](https://fdic.gov/resources/consumers/consumer-news/2022-01.html) ⓘ



## Coverdell Education Savings Account



A Coverdell Education Savings Account provides the opportunity for you to make contributions up to \$2,000 per year to an account for your child or grand-child up to age 18. However, there does not have to be a family relationship between the contributor and the child. The contributor does not need to have earned income, and contributions are not tax deductible\*.

For more information, visit:  
[easternsavingsbank.com/bank/ira-educational-savings](https://easternsavingsbank.com/bank/ira-educational-savings) ⓘ

*\*We suggest that you consult your tax advisor before beginning your Education Plan to ensure that you choose the one that best meets your financial and retirement goals.*

## National Cybersecurity Awareness Month

October is National Cybersecurity Awareness Month (NCSAM), a time to focus on how cybersecurity is a shared responsibility that affects all Americans.

This month, try to take basic steps to protect your online information and privacy. You can find resources and tips regarding online security and identity theft prevention on our website at:

[easternsavingsbank.com/customer-resources](https://easternsavingsbank.com/customer-resources)  
or follow us on [Facebook](#)!

For more information about NCSAM, visit:  
[cisa.gov/cybersecurity-awareness-month](https://cisa.gov/cybersecurity-awareness-month) ⓘ

## Holiday Closures

In observance of Labor Day, all branches will be closed on Saturday, September 3 and on Monday, September 5, 2022.

Our corporate office will be closed on Monday, September 5, 2022.

In observance of Columbus Day, all branches will be closed on Monday, October 10, 2022.

EasternEase Online & Mobile Banking are always available for your banking needs. ⓘ



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