



How to Negotiate With Your Credit Card Lender

Description

Most [credit cards](#) charge anywhere from 0% to 20% in interest. Heck, there have been cards that charged as much as 41%! But you can negotiate with your credit card company for a lower rate, particularly if you've had any of your cards for a while.

Just call them up to demand a lower rate. Shoot for 9% or 12%. You'd be surprised at how easy it is.

Here's how:

- 1. Start with a credit card that you've had for a while**, and where you've never been late with payments.
- 2. Flip over your card and dial the customer service number.**
- 3. Start negotiating.** Now it's time to get what you want. Tongue-tied? Consider this sample script — the Fool's exclusive *Rate Negotiation Dialogue* — for ideas on what to say.

Sample Interest Rate Negotiation Script

You: "I just got this incredibly great offer in the mail for a new credit card that has an introductory interest rate of only 5.9%! I don't really want to switch cards, since your service has been great. But even though I've had your card for three years, I'm still paying a 17% rate on my balance. I'm going to have to transfer my balance unless you can lower the interest rate."

Them: (The sound of a flurry of keyboard rat-a-tat-taps and your credit and payment history being scrutinized.) "Hmmm ... well, that is the going rate ... let's see ..."

You: "Sure, but I can pay a lot less in interest if I transfer my balance. I really need you to reduce the rate

to 9% or so.”

Them: “Let me check with my supervisor ... OK, how about 9.8%?”

You: “No problem.” (Now go treat yourself to a snack — a cheap one! — for saving some bucks!)

This may not work as well if you’re frequently late with your payments and deeply in debt. But it can’t hurt to at least ask for an interest rate reduction on all your cards. If you have a solid track record, don’t litter, are generally polite, or can imitate a halfway decent French accent during the call, your lender should be willing to offer you a lower rate to keep from losing you to the competition.

4. Keep trying. If you don’t get what you want the first time, try to get another customer service rep or supervisor on the line. Still won’t budge? Mark your calendar and call back in a few months.

5. You might want to combine your debts onto one or two of your lowest-rate cards if you can. (If you’re maxed out on those cards, then forget it.) Simply call your lender and ask how to transfer funds. And be sure to find out what fees — if any — you’ll be charged. Weigh those against any interest savings before making the move.

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Author

apape

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