# Value of electronic payment cards

MASTER
YOUR CARD

A community empowerment program brought to you by MasterCard®

**At school or work—paying bills, renting an apartment or shopping for a new car, you need to know how cards save you money and time, protect you, and prepare you for the future.**

# Master Your Card is a community empowerment program that helps you get the most from your money through prepaid, credit or debit cards.

# Mastercard is a technology company that builds safe, smart and simple solutions to make payments and purchases.

# Consumers have the money.

# Banks issue credit and hold funds.

# Businesses have goods and services.

# Mastercard provides the technological magic that links them all together.

# The value of prepaid, debit and credit cards

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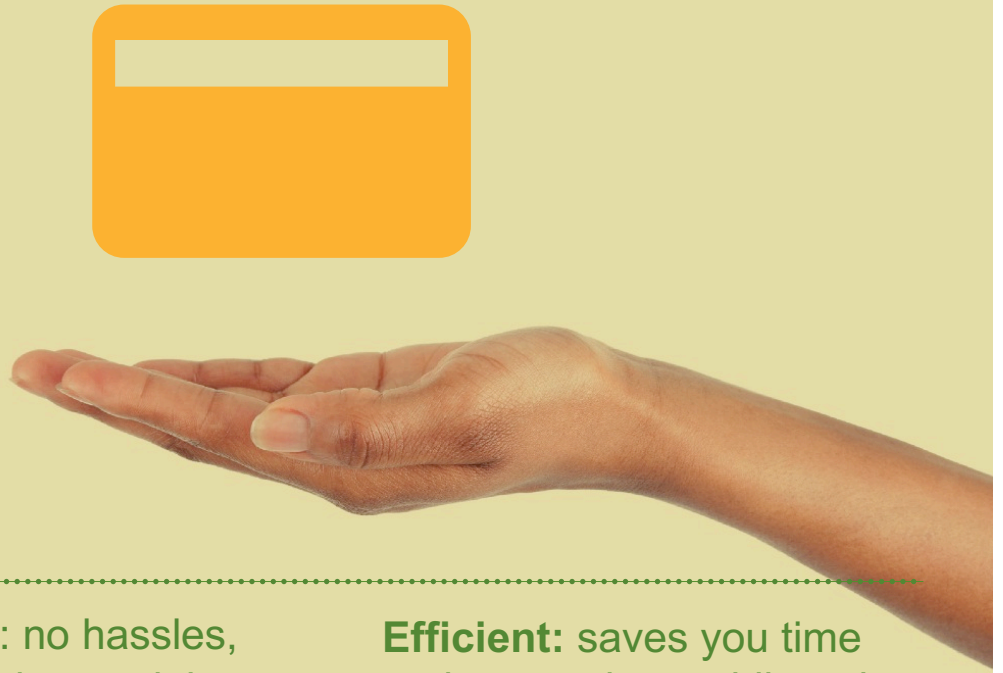
# Simple



**Anytime and everywhere:** pay by phone, computer, mail or in person.

**Automatic**: no hassles, and so good you might not even realize how easy it makes your life.

**Efficient:** saves you time and money by avoiding trips to the bank or ATM to get cash.

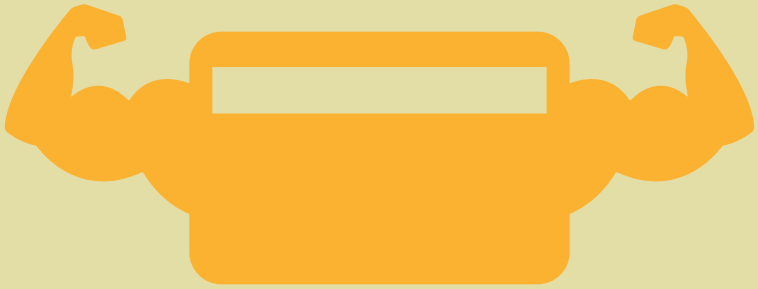
# Smart

**Protection:** cards help you fight back when you need to.

**Control:** automatic tools let you set spending limits, see where your money goes and know exactly what's in your account.

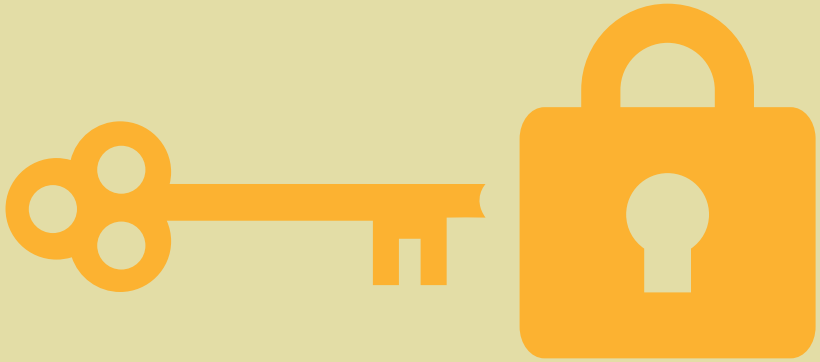
**Efficiency:** manage and access your money without wasting time or paying fees for using cash or checks.

# Strong



**Power:** armed with cards, you can shop around to find the best deals online or in your area.

**Equal footing:** through access to the global economy, cards level the field for everyone so businesses have to work as hard for your dollar as they do for anyone else's.



# Safe

**Private:** security features make sure your information is only shared with those who need to know.

**Money back:** if your card is lost, stolen or misused.

**Crime protection:** robbery, mugging and purse snatching is a lower risk when you aren't carrying cash.

**Fraud protection:** you can fight back when a business delivers bad goods or services.

Get the
right card
for you
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# Prepaid, credit or debit?

# You can use all of them, one or two. Here are some things to help you choose what's best for you.

Payroll cards are one type of prepaid card. With payroll cards, you don't have to pick up your check. You get immediate access to pay regardless of where you are, and you don't have to wait in line to cash checks, purchase money orders or pay bills.

Whether or not you have a bank account, you can have a prepaid card to use anywhere credit or debit cards are accepted. Money is loaded, and reloaded, onto your prepaid card with its unique identifying number.

# Prepaid Pros

- Get the same convenience and safety as a debit card.
- No ID required to set up a prepaid card.
- Use your money everywhere cards are accepted.
- Easy to use. Easy to reload.
- No possibility of going into debt.
- Protection if card is lost or stolen.
- No check-cashing or other fees with direct deposit.
- No picture ID or PIN necessary to make purchases.
- Transfer funds from one card to another.

# Prepaid Cons

- Some cards come with extra fees.
- Not all are FDIC-insured.
- Does not build your credit rating.
- Policies for dealing with theft, loss and fraud vary.
- Your money is frozen for reservations or deposits.
- Liability for fraudulent charges is greater—except with MasterCard.

Every time you use a credit card, you are borrowing money from the bank that gave you the card.

# Credit Pros

- Helps establish or improve your credit rating.
- Pay off monthly and you get interest-free credit.
- Short-term loan, useful in case of emergency.
- Reverse charges if you're not happy.
- You're not out any money in case of fraud.
- Many cards give you services and rewards.
- Make reservations for things like travel without tying up your money.

# Credit Cons

- Risk of over-extending yourself with debt and interest.
- Many cards have annual fees.
- Late payments harm your credit score.
- Higher rates/fees for cash advances.

If you have a checking account, you can get a debit card to make purchases.

# Debit Pros

- Don’t need great credit to have a debit card.
- FDIC-insured.
- Can’t spend more than you have.
- Easy access to cash.
- Fraud protection.
- Use your money everywhere payment cards are accepted.
- Some fraud and consumer protections to reverse charges if you’re not happy.

# Debit Cons

- Overdraft fees.
- Beware of new fees and requirements, i.e., monthly minimum balance, limits on cash withdrawals, etc.
- Your money is frozen when used to make certain payments, reservations or deposits.
- In the case of fraud and disputed transactions, your money is lost to you until a decision is made.

# Tips and tools to master your card

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# TOP TEN

1. Pay bills on time.
2. Keep balances low.
3. Pay off debt rather than move it around.
4. Don’t close unused credit cards.
5. Don’t open lines of credit you don’t need.
6. Know about fees and how to avoid them.
7. Set smart spending limits—you can tell the bank what your max limit should be.
8. Consider declining overdraft protection on debit cards to avoid excess fees.
9. You’re on your phone all day—use it to monitor your balance.
10. Check credit ratings with free annual reports.

# Thank you

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# MASTER YOUR CARD

**To get the most value from electronic payments, visit www.masteryourcardUSA.org**