

## LEGAL EASE

### Credit cards

Credit cards give you another way to buy and pay for goods and services. This will help you take advantage of sales and bargain opportunities. Credit Cards are available from a variety of sources. Banks, trust companies and credit unions, financial institutions, finance companies and department stores are just some of the institutions which offer consumer credit. Having a credit card is a great convenience and may help you establish and improve a credit rating. However, there are some things you should be aware of when applying for a credit card.

The use of credit cards comes under the general law of contracts. When you apply for a credit card, you fill out a form agreeing to be liable according to the terms of the agreement which will accompany the card.

Generally if your account is paid in full within a certain time, no interest charges will be added. However the interest rates on credit cards can be high. You should look into this when deciding which card you would like. For bank cards, interest is generally calculated from the date the item/goods were bought. If you use the credit card for a cash advance the interest is calculated from the time the money is taken. You should check into these charges when applying for a credit card.

Most credit card companies have terms in the contract which stipulate that the card remains the property of the company. The privilege of using the card can be withdrawn at any time. A creditor may freeze a credit card when you fail to make a payment or pay less than the monthly payment. They may also freeze your card if you go over the credit limit.

In New Brunswick, it is illegal for a lender to send a credit card in the mail that you did not ask for. If this happens to you, you can report it to the Consumer Affairs Branch of the New

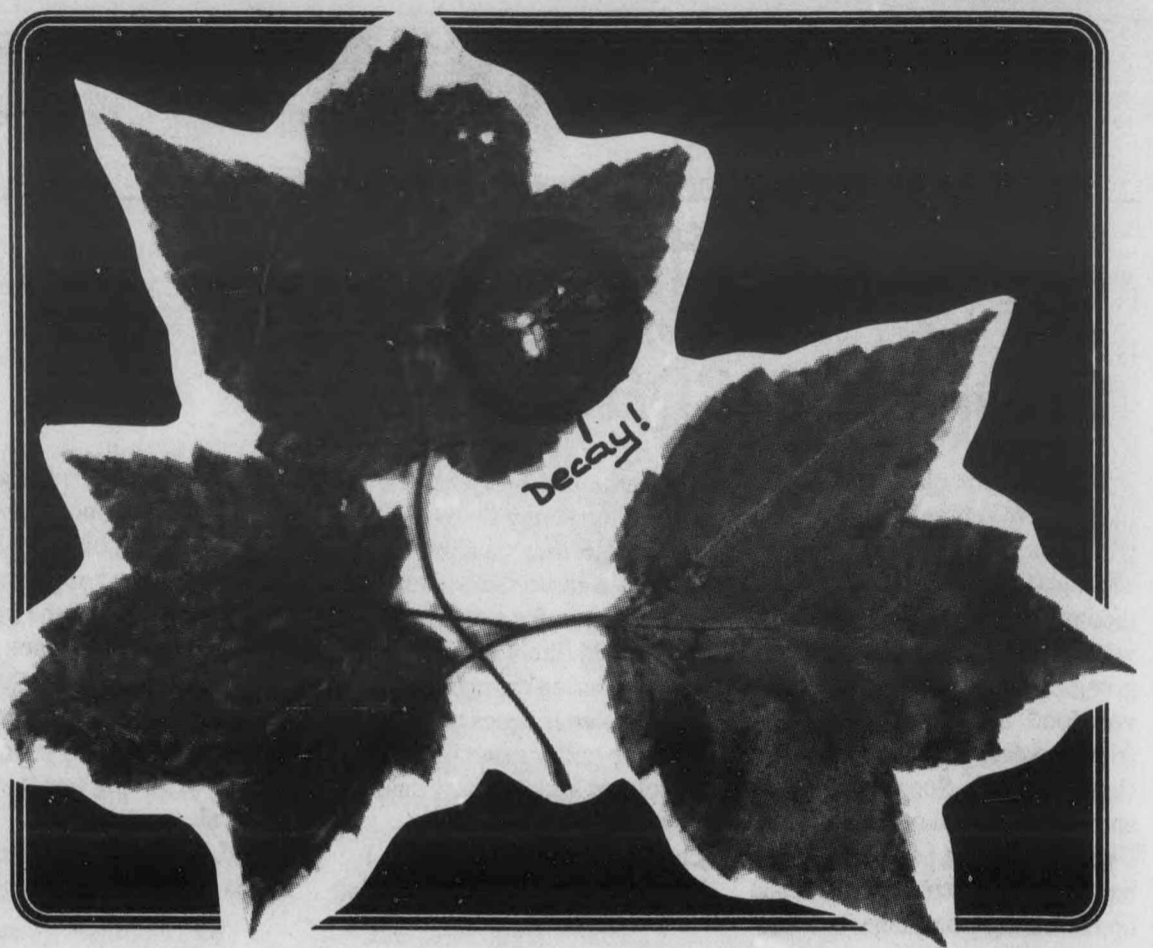
Brunswick Department of Justice. If you use the card, even once, it is seen as an acceptance of the card. If you receive an unsolicited card you should destroy it in front of a witness. You should notify the credit company that the card was destroyed.

Some married couples choose to get a credit card between them. If you apply for a card and ask for a second one for your spouse both of you will be responsible for any debt placed on that card. This remains the same despite any changes in marital status. To end responsibility on a joint credit card after a separation or divorce you can ask your spouse for his or her card back. If he or she refuses you can go to the lender to change the account or sign a statement of non-responsibility. This will cancel your responsibility for future debts.

If you fail to make your monthly payments the credit card company can demand payment of the full amount owing and the interest. If you still do not pay there are steps the company can take to retrieve what you owe. The creditor may take legal action in court. If the creditor wins the case you may be ordered to repay the debt according to your ability. The court can order the sheriff to seize and sell some of your property to pay the debt.

The creditor may choose to hire a collection agency. A collection agency is a licensed organization which collects money from people who have not paid their debts. The collection agency is restricted in what it can do. For example, the agency cannot threaten you or intrude upon your privacy. They may only contact you between 9:00 am and 9:00 pm.

\* This column is intended to be used as a guide only. It is not meant to be a replacement for professional legal advice. If you require any additional legal information or legal counselling, please contact a lawyer.



*Every Fall I notice less and less leaves on the trees. Sometimes.... sometimes I cry....*

*Professor Ingrid Myers  
University of New Brunswick's Earth Science Department.*

**The trees at UNB are dying**  
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*Courtesy of  
Take A Deep Breath Inc.*