

WSJ, CNN: Seek credit cards at CUs

NEW YORK (7/14/09)--Consumers should seek credit cards at credit unions to obtain better rates and terms according to *The Wall Street Journal* and *CNNMoney.com*.

A small-business owner asked Kelly Spors in her *Wall Street Journal* column, "Small Talk," what to do because the owner's credit card company announced it would stop taking new charges.

"A good strategy is to approach community banks and credit unions rather than major national banks, says Ruth Sheets, a consultant to small and midsized businesses," Spors wrote Monday. "These smaller local lending institutions suffered less from the financial mess on Wall Street and are using the credit crunch to strengthen their ties with local business owners.

"Smaller banks and credit unions often carry their own branded credit cards and charge lower fees than large banks," Spors added. "If you can't qualify for a regular card, you may at least be able to get a secured card, which requires cash up front as collateral."

With credit card reforms signed into law by President Barack Obama in May, consumers need to protect themselves from a credit card backlash, and credit unions are an option, advised a Friday *CNNMoney.com* column.

If consumers carry a balance [on a credit card] and have a credit score of 730 or above, they should move their big-bank card into secondary status and rotate in a regional bank or credit union card, Curtis Arnold of *Card Ratings.com* advised in the column. Because these institutions employ stricter underwriting standards, they offer lower rates and rarer rate hikes.

While the average major bank card currently has a 13.76% interest rate, National Institutes of Health FCU, a \$396.9 million asset, Rockville, Md.-based credit union, is advertising a Visa Platinum Rewards card at 8.9%, Arnold said.