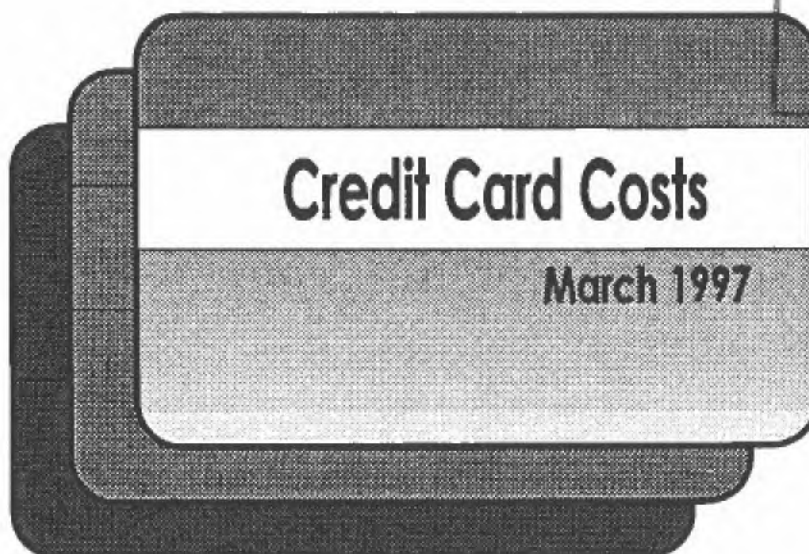




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Compiled by the Office of Consumer Affairs of Industry Canada from information given by card issuers and accurate as of March 21, 1997.

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March 1997

Consumer Advisory

Some Rates Down

Since December 1995, there have been some reductions in interest rates of both low rate cards and standard rate cards. For example, Canada Trust and the National Bank have lowered rates on their standard cards to 16.5% and 18.4% respectively, while American Express has decreased the rate on its Optima card to 16.25%. For the low rate options, the National Bank has lowered the rate on its Option 1 card to 14.0% and the Bank of Nova Scotia has decreased its Value Visa rate by 1.65 percentage points to 9.25%. The current range of rates now stands at 9.25% to 14.0% for low rate options and 15.4% to 18.9% for standard cards. The spread between the Bank of Canada rate and the sample Visa card tracked by Industry Canada remains at 13.25 points.

New Low Rate Cards

Two more financial institutions have announced low rate cards. The Laurentian Bank launched its Reduced Rate Option in March with an interest rate of 9.5% and an annual fee of \$24; and CIBC has just launched its Select Visa card with a 9.9% rate and a \$29 annual fee. Meanwhile survey data obtained by Industry Canada show that Canadians' awareness of low rate cards has risen from about 30% in early 1996 to 57% at the beginning of this year. Consumers who routinely carry balances on their credit cards are encouraged to ask their financial institutions for information about low rate credit card options.

Credit Card Insurance

Many credit card issuers offer insurance to cover monthly payments or outstanding balances in the event of involuntary job loss, disability, or death. The basic charge for this kind of insurance starts at about 60 cents per month for every \$100 of outstanding balance. While this amount appears modest at first glance, it represents an annualised charge of an additional 7% or more, and it may be higher for some issuers. Bells and whistles, such as merchandise repair, may also increase the cost of the basic coverage.

Basic coverage generally includes protection of minimum monthly payments in case of involuntary unemployment or disability and payment of full balances in the event of death. But consumers should be aware that the maximum balance covered (usually between \$10,000 and \$20,000) and the length of time disability and unemployment benefits last, varies from one issuer to another. Moreover death of a plan holder above a specified age or one caused by illness rather than accident may not be covered. So contracts should be scrutinised carefully to determine the specific risks covered, the limitations on coverage, the amount and duration of benefits and the cost of premiums.

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General Credit Cards (as of March 21, 1997)

Card Issuer	Annual Fee	Interest Rate	Grace Period	Interest Calculated from Date of Purchase
MasterCard	\$	%	Days	
Bank of Montreal Standard	0	18.40	23	x
Basic	0	15.40	19	x
Low Rate Option	25	9.40	19	x
Canada Trust	8 ¹	16.50	21	x
CS CO-OP	0	18.40	21	x
National Bank Standard	0	18.40 ²	21	x
Low Rate Option 1	12	14.00	21	x
Low Rate Option 2	25	9.25	21	x
National Trust Basic	0	16.75	21	x
Low Interest Option	30	11.75	21	x
Niagara Credit Union	0	17.50	21	x
Canadian Tire	0	18.90	21	x
VISA				
Scotiabank Standard	8	16.75	21	x
Value Visa	29	9.25	21	x
CIBC	0	16.50	21	x
Select Visa	29	9.9	17 ³	x
Desjardins Standard	0	17.50	21	x
Low Rate Option	25	9.50	21	x
Laurentian Bank	0	17.50	21	x
Reduced Rate Option	24	9.50	21	x
Royal Bank Standard	0	16.50	21	x
Low Rate Option	25	9.50	21	x
TD Bank Standard	0	17.50	21	x
Emerald Card	12 ¹	9.25	0	x
Vancouver City Savings	0	16.50	21	x
American Express				
Standard	0	9.9 (6 months) 13.95 (Preferred) 17.95 (Standard)	21	x
Optima	15	16.25 (April 1)	21	x

¹ Under certain conditions, fee may be reduced or waived entirely.

² According to the results of credit analysis, the rate may be different.

³ 21 days in B.C. and Quebec.

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Other Credit Cards

Card Issuer	Fees (\$ annual)	Interest Rates (% annual)	Grace Period (days)	Interest Calculated from	
				Date of Purchase	Date of Statement
Canadian Tire	--	28.8	30		x
Eaton's	--	28.8	30		x
Home Card	--	28.8	30		x
Hudson's Bay	--	28.8	25-30		x
Imperial Oil (Esso)	--	24.0	30		x
Petro-Canada	--	24.0	30	x	
Sears	--	28.8	25-30		x
Simpsons	--	28.8	25-30		x
Zellers	--	28.8	25-30		x

Charge Cards*

Card Issuer	Fees (\$ annual)	Late Penalty Rates/Delin- quency Rate (% annual)	Grace Period (days)	Late Penalty Calculated from	
				Date of Purchase	Date of Statement
American Express	55	30	30		x
Diners Club/enRoute	65	30	30-60		x
Irving Oil	--	24	25		x

* As of March 21, 1997. Since credit card terms and conditions may change, you should contact card issuers directly for the latest information.

Definitions

Credit Cards: Cards that provide revolving credit. Minimum monthly payments are required.

Charge cards: Cards requiring payment in full each month.

Fees: Charges such as transaction fees, administration fees or annual fees.

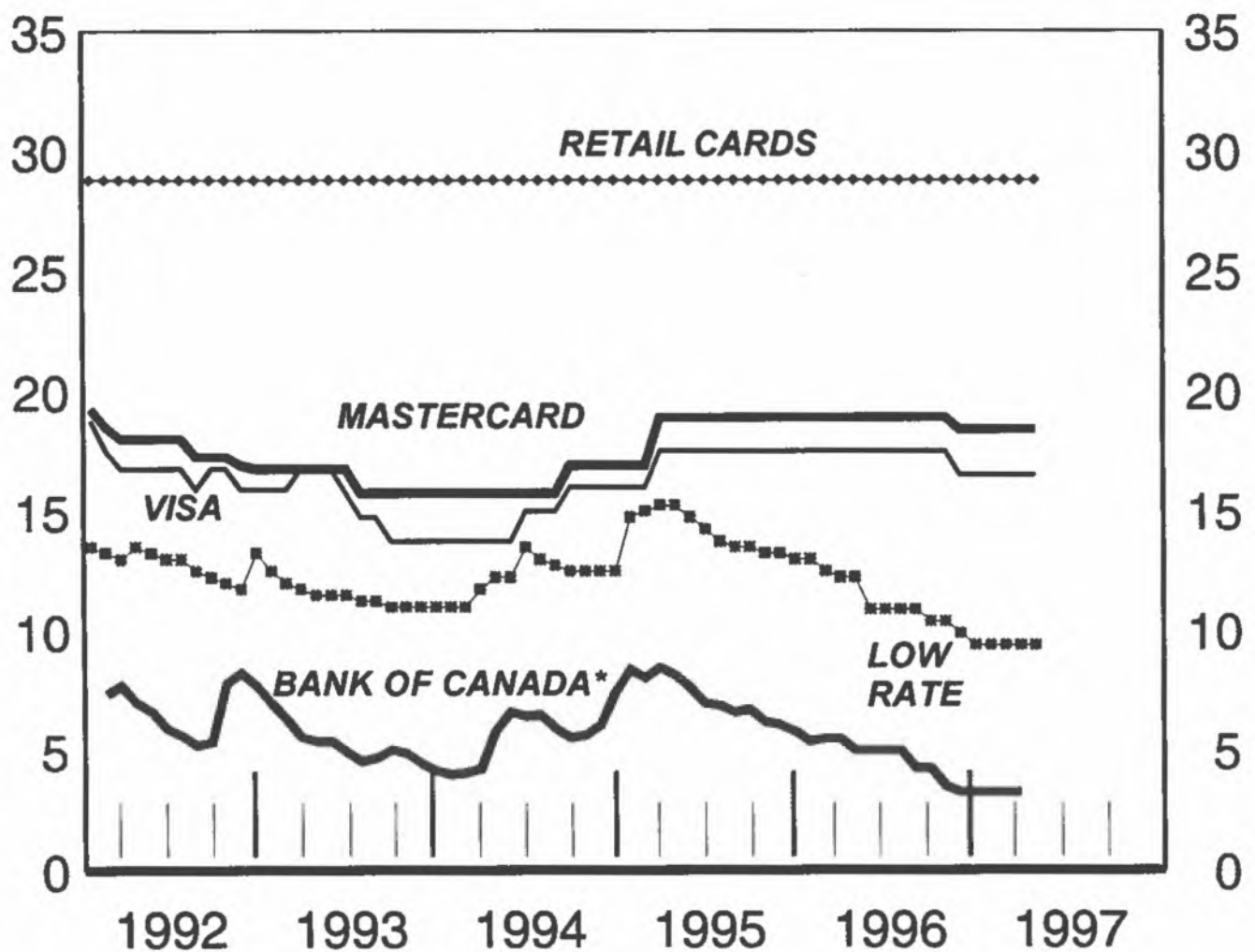
Interest/Penalty Rate: The nominal annual rate at which interest or penalty payments are calculated.

Grace Period: The number of days between the statement date and the payment due date.

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Credit Card Rates and the Bank of Canada Rate

Rate (%)



• One Visa, one MasterCard, and one Low Rate Card issuer are used as examples. Rates of other cards vary.

* The Bank of Canada rate is the rate at which banks can borrow money from the Central Bank.

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Terms and Conditions

Remember these facts and save money:

Bank, Trust Company and Credit Union Cards

- Interest is charged daily. So, if you make payments between statements, you save money.
- Interest is charged on cash advances from the day you borrow until they are paid in full.
- Interest is not charged on purchases showing up on your statement for the first time if the entire statement balance is paid by the due date.

And don't forget:

- When the balance is not paid in full by the due date, interest is charged on the daily balance from the date purchases have been posted to the account until it is paid in full.

Other Credit Cards

- In most cases you pay less interest if you pay off at least half the balance each month. Retail stores (except in Quebec), subtract payments equal to 50% or more of the balance from the balance on the statement before charging interest. In Quebec, interest is calculated daily so in that province, you save money if you make payments between statements.
- Interest is compounded, so if you miss a payment, the next month you will pay interest on the balance plus interest. For example, at the current rate of 2.4% per month, one month's interest on \$100.00 is \$2.40. If no payment is made on this at all, the next month's interest will be charged on \$102.40 and will amount to \$2.47.

Charge Cards

- Irving Oil calculates penalties on the outstanding daily balance.
- The American Express and Diners Club/enRoute account balances are due on receipt of statement. A delinquency assessment equal to 30% per annum is charged on unpaid balances. Cards are cancelled if balances remain unpaid.