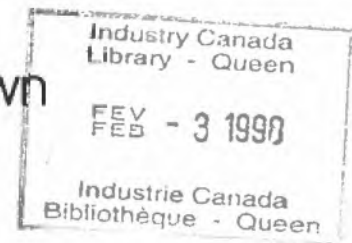


- * National Trust brings rates down
- * Late Payment Fees
- * Year End Facts and Figures



Compiled by the Office of Consumer Affairs of Industry Canada from information given by card issuers and accurate as of December 1, 1997.

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(Version française disponible)

December 1997

Consumer Advisory

National Trust MasterCard rate now 6.9 %

There have been changes in some MasterCard rates. As of December 1, 1997 there has been a substantial reduction in the interest rate charged on the National Trust Basic Mastercard from 16.75% to 6.90%. The low rate option card has also dropped to 6.90% from 9.50% and the annual fee of \$30.00 for the low rate card has been cancelled. Meanwhile, the Bank of Montreal low rate option MasterCard rate increased from 9.4% to 10.4%. The rates on other standard cards currently vary between 15.4% and 18.9%.

The Bank of Canada rate has increased since September from 3.5% to 4.5% on December 12. This has decreased the spread between the sample Visa card tracked by Industry Canada and the Bank of Canada rate from 13.25 points to 12 points.

Late Payment Fees

During 1997 Petro-Canada announced that it will charge late payment fees on overdue accounts. [Imperial Oil (Esso) introduced late payment fees three years ago.] Petro-Canada notified customers that it has amended the terms of its credit card agreement, so that a late payment fee of up to \$20.00 can be charged to accounts if the minimum monthly payment is not paid by the due date on the billing statement. The amount of this late payment fee is dependent on the amount of the customer's outstanding balance.

Year End Facts and Figures

There are an estimated 50.1 million credit cards¹ in circulation² in Canada, or 2.17 cards for every adult Canadian over the age of 18. Of those, 31.9 million are Visa or MasterCard and 18.2 million are cards issued by large department stores, gasoline companies, and other issuers such as American Express, and Diner's Club/enRoute. (N.B. This year we have excluded from these figures retailer cards which issuers have indicated are still valid, but no longer in use.)

The total number of Visa and MasterCards in circulation increased from 30.2 million in 1996 to 31.9 million in 1997. These cards were used for more than 949.5 million transactions in 1997. The dollar value of Visa and MasterCard sales increased approximately 12% from \$67.7 billion in 1996 to \$76.0 billion in 1997. Outstanding balances owing on MasterCard and Visa cards at the end of October 1997 totalled \$20.5 billion, up from \$18.7 billion in 1996. The value of the average Visa and MasterCard sale increased from \$77.80 in 1996 to \$82.50 this year.

1 This estimate includes only cards issued by Visa and MasterCard issuers and the other card issuers listed in this report. Their assistance and that of the Canadian Bankers' Association in compiling this information is gratefully acknowledged.

2 The basis for estimation of the number of cards in circulation may differ from one issuer to another.

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General Credit Cards (as of December 1, 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	10.40	19	x
Canada Trust	8 ¹	16.50	21	x
Gold	39	10.50	21	x
CS CO-OP	0	18.40	21	x
National Bank Standard	0	18.40 ²	21	x
Economic Option	12	14.00	21	x
Low Rate Option	25	9.25	21	x
National Trust Basic	0	6.90	21	x
Low Interest Option	0	6.90	21	x
Niagara Credit Union	0	17.50	21	x
Low Rate Option	25	9.25	21	x
Canadian Tire	0	18.90	21	x
VISA				
Scotiabank Standard	8	16.75	21	x
Value Visa	29	9.25	25	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 Visa	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	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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Card Issuer	Fees (\$ annual)	Interest Rates (% annual)	Grace Period (days)	Late Payment Fees	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		x
Petro-Canada	--	24.0	30	x	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 December 1, 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.

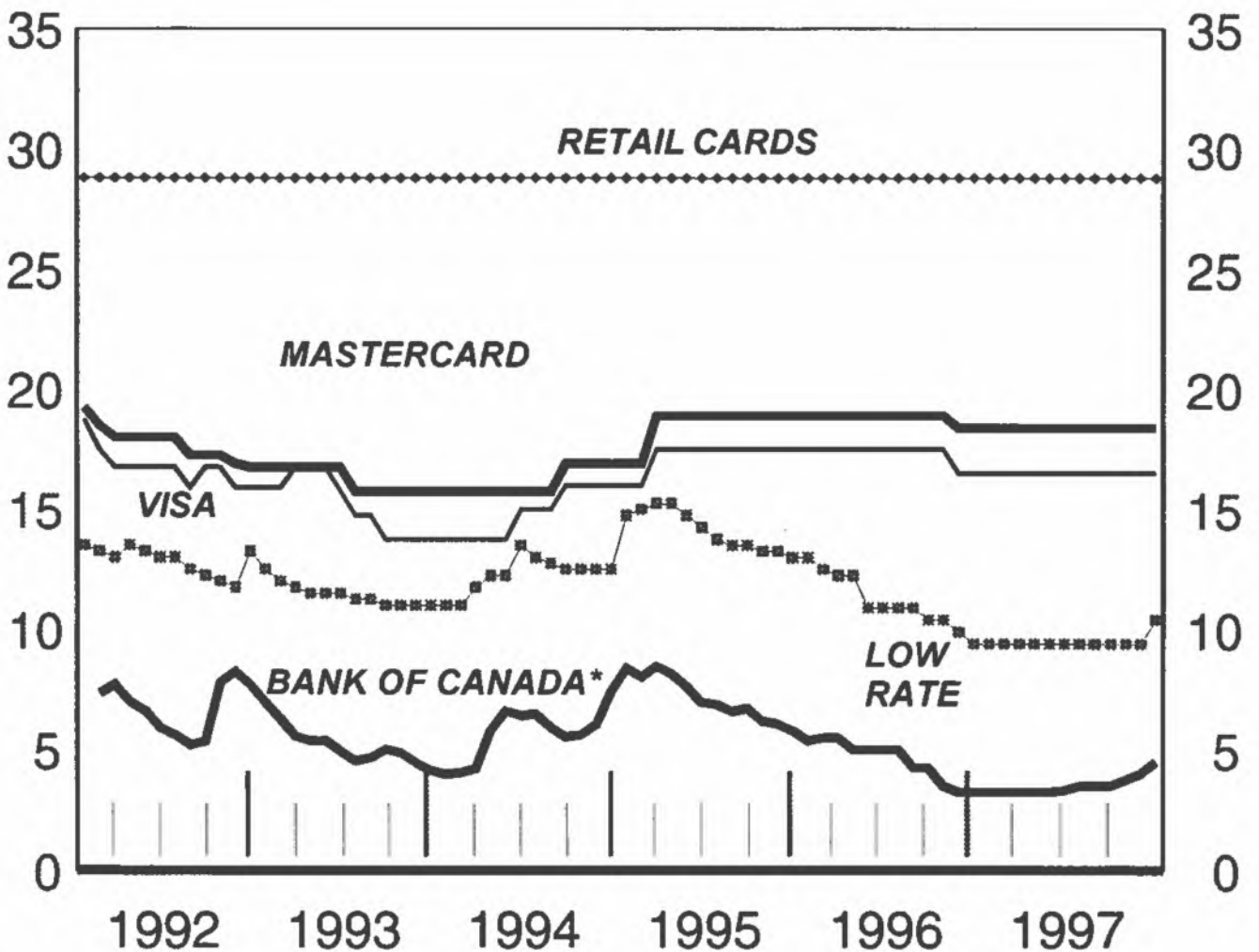
Grace Period: The number of days between the statement date and the payment due date.

Late payment fees: A late payment fee will be charged, if the minimum monthly payment is not made by the 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.

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.