

Is it legal to raise the interest rate on a credit card?

Yes, it's done daily. In fact, check out the results of our user poll on this very issue.

Read our article "Pay one bill late, get punished by Many"

It talks about the conditions under which credit card companies can increase your interest rate.

However, SOME credit card issuers are allowing you to decline the new rates....but there is a hitch. You won't be able to place new charges on the account. Thus allowing you to continue making minimum payments at the old rates.

So, when you get a notice of a rate change...call the creditor immediately.