

Consumer Information from Mid Oregon Credit Union

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Understand debit card features

NEW YORK (12/22/10)--Debit cards are becoming the payment method of choice for Americans. Debit card use helped payments made electronically rise more than 9% during the past year, while credit card transactions fell an estimated 0.2% ([foxbusiness.com](#) Dec. 13).

Using debit cards can help consumers avoid racking up credit card debt. But as [CBSMoneyWatch.com](#) (Dec. 7) points out, consumers need to be aware of how debit is different from credit to use debit well:

1. *Hold policies.* Hotels and gas stations commonly place holds on a transaction when consumers use debit cards. Be aware of hold policies when using a debit card to make a purchase. Make sure you have enough in your account to cover that amount plus any additional expenses you plan on making. That will help you avoid overdraft fees.
2. *Disputed charges.* Funds are subtracted from your account at the time of purchase when you use a debit card, possibly even before you receive the goods. It becomes the consumer's responsibility to recover any funds from a merchant if there's reason to dispute the charges.
3. *Stolen cards.* Federal law helps protect you when your debit card is stolen by limiting your liability to \$50 for fraudulent charges when the card is reported stolen within two days of theft. Take too much time and your account could be drained without recourse.

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