

# 5. Credit Cards, Prepaid And Debit Cards

In the face of deportation, you can take steps to manage credit cards, prepaid cards, and debit cards. This section addresses these topics:

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*Each Chapter is intended to provide generalized information on a particular topic. In many cases, laws may differ from state to state. Therefore, this information is not intended to replace state-specific legal assistance. Nothing in this manual is intended to create an attorney-client or fiduciary relationship.*

## First Steps: Gather Important Information

Before you begin, take a few moments to gather key documents and record important information about your cards. Keep this on your person or retain it in a secure electronic file, but do not share this information, including any passwords, PIN numbers, or other access information, with others. Write down:

- |  |  |
|--|--|
| → Brand name on card;                                      | → Security code;   |
| → Card network for the card (e.g., Visa, Mastercard, etc.) | → Date of expiration; and                                |
| → Name of bank that works with the card company;           | → Contact information for both the bank and card company |
| → Account number;  |  |

## Credit Cards

### What is a Credit Card?

A credit card gives the credit card holder access to a revolving line of credit. Buying something with a credit card or using a credit card to get cash is borrowing money against the line of credit. The credit card holder can borrow an amount up to the credit card limit. To keep the line of credit open, the credit card holder must make at least minimum monthly payments against any accrued debt. However, if you only make the minimum monthly payment, your credit card company will likely impose relatively large interest charges on any outstanding balances. Some credit cards also require you to pay other service charges and fees as well, including fees for making minimum monthly payments late.

### What Will Happen to Your Credit Card After You Leave the Country?

You likely need a U.S. address to maintain your U.S. credit card; however, some credit card companies may allow you to open an account in the new country connected to your previous U.S. account. You should notify your credit card company of any change in address and check with the company for options. If the credit card has rewards, you should contact the credit card company to understand how best to redeem the rewards

you have already earned. You may also want to stop any recurring payments being charged to the credit card if they no longer will apply.

## **What Will Happen if You Try to Use Your Credit Card Outside the U.S.?**

You may be able to use your credit card outside the U.S. For certain types of credit cards, the credit card company may charge a foreign transaction fee to use a credit card outside the U.S. These fees may mount up. You should also be aware of the exchange rate used by the credit card company in processing the transaction. You should check with your credit card company for details.

## **What is Credit Card Debt?**

Credit card debt is the total amount borrowed against the line of credit plus any accrued interest and other fees, including fees for late payments. In some cases, the accrued interest and fees may exceed the line of credit. You can minimize interest and other fees by paying off as much of your balance as possible every month on time.

## **What Happens to Credit Card Debt After You Leave the Country?**

Credit card debt exists regardless of where you live. The obligation to repay the debt does not disappear when a person leaves the country. If you miss a credit card payment, you will likely incur fees and penalties on your debt. Once the debt reaches a certain level without receiving payment, the credit card company may cancel your credit card and sell the debt to a debt collector. Debt collectors have a limited time during which they can sue debtors for nonpayment of credit card bills. Such time limits differ by state and are set by each state's statute of limitations. The credit card company may also report missed or late payments to credit bureaus, such as Experian and TransUnion, which could have a negative effect on your credit rating in the U.S.

*Tip: Even if you do not use the credit card, you should still periodically monitor the activity on your credit card for fraud. You should contact the credit card company immediately if you see any charges on your credit card that you did not make or authorize.*

## **What Should You Do to Pay Your Credit Card Debt?**

### ***For Supervised Immigrants***

If you have some time before you must leave the United States, you should (1) contact each of your credit card companies, (2) tell each company about your situation, and (3) provide a forwarding address in your home country in a letter sent with a certified return receipt requested. Additionally, to the extent available, you should download the smartphone application associated with the credit card and enroll in electronic delivery and payment options. This reduces the chance that you will miss a credit card payment.

### ***For Detained Immigrants***

If you are a Detained Immigrant, you may not have enough time during the transition from one location to another to inform your credit card companies that you are leaving. This increases the risk that you will miss payments, which likely will result in fees and penalties on your debt. If you are subject to immediate removal from the United States, you should enroll in electronic delivery and payment options, and download the smartphone application of your credit card company that you can use to contact the company and make payments. Upon arriving in your home country, you should contact the credit card company and, if necessary, send in any payments that are owed or discuss other payment and debt relief options that the credit card company may offer.

## **What Happens if You Don't Pay Your Credit Card Debt?**

If you don't pay your credit card debt, you may incur late fees and accrue additional interest on the card each month, which could significantly increase the amount of your debt. Additionally, the credit card company may penalize you in other ways, including by increasing the interest rate on your credit card. The credit card company may also sell the debt to a debt collector for collection. Failure to pay credit card debt may also hurt your credit rating in the United States. Your credit rating probably won't affect you in your home country, but it may complicate your finances if you ever return to the United States. For example, a lower credit rating or negative information on a credit report could affect your ability to obtain another credit card, receive a loan, purchase a car, or obtain housing.

Note that if you obtained a secured credit card by putting down money as a deposit for the credit card, you may also lose that money.

## **What Happens if Your Credit Card Debt is Sold to a Debt Collector?**

The debt collector may contact you to arrange payment of the debt. However, U.S. federal laws prevent debt collectors from engaging in certain tactics when attempting to collect debt, such as harassment or contacting you at an unusual time or place. You should be aware of your rights and of acceptable debt collection practices.

See, e.g., <https://www.consumerfinance.gov/consumer-tools/debt-collection/> for more information.

International debt collection may be impractical for many debts, but your debt does not go away because you have relocated to another country. The debt collector may also sue you in state court to pay for the debt, which should not be ignored. While a person cannot go to jail solely for failing to pay credit card debt, failure to appear for court or to adhere to a court order could result in jail time.

## **Prepaid Cards**

### **What is a Prepaid Card?**

A prepaid card is like a credit card that the cardholder pays in advance. Traditionally, the cardholder loads money onto the prepaid card, then spends that money to buy things or withdraw cash. These cards usually require a PIN number. In some cases, money can be loaded onto prepaid cards directly from a paycheck or bank account. The money normally can be recovered if the prepaid card is lost or stolen. Unlike credit cards, there are no interest payments, but there may be fees associated with setting up, loading, using, and maintaining prepaid cards. These fees may mount up.

### **Can You Use Your Prepaid Card Outside the U.S.?**

Some prepaid cards can be used outside the U.S. Indeed, some prepaid cards are intended to be used outside the U.S. (e.g., by American tourists). You should check with your prepaid card company for information on whether or not your prepaid card can be used outside the U.S. and, if so, what fees and limitations apply.

## **What Should You Do With Your Prepaid Card Before Leaving the Country?**

You should check to see whether or not your prepaid card can be used in your destination country. If not, you should consider alternatives, including spending or withdrawing the money on the prepaid card prior to leaving the U.S. or the card expiring. You may also want to stop any recurring transfers to or from the prepaid card that are no longer applicable. You should also confirm whether there are any overdraft features turned on for the prepaid card and turn them off to avoid potential overdraft fees. If needed, you may contact the prepaid card company to check the amount left on your card or receive card statements.

You should generally monitor your prepaid account and card transactions on a periodic basis to make sure that your card is not being used to make fraudulent charges. You should contact the prepaid card company immediately if you identify any charges to your card that you did not make or authorize.

## **What Should You Do if Your Prepaid Card is Stolen or Confiscated?**

If the prepaid card is stolen or confiscated, you should immediately contact the prepaid card company to recover the funds on the prepaid cards.

## **Debit Cards**

### **What is a Debit Card?**

A debit card is a payment card that is linked to a bank account. The cardholder puts money in the bank account, then spends that money to buy things or withdraw cash. In some cases, the cardholder can attempt to withdraw more than the amount in the bank account. These excess withdrawals or attempts to withdraw excess funds may be subject to overdraft or insufficient funds fees. These fees may mount up. Debit cards often require cardholders to create and use PIN numbers to use the card or withdraw funds from the bank account.

### **Can You Use Your Debit Card Outside the U.S.?**

Some debit cards can be used outside the U.S. You should check with your bank for information on whether or not your debit card can be used outside the U.S. and, if so, what fees and limitations apply (e.g., foreign transaction and currency conversion fees).

There may be additional fees for withdrawing cash using the debit card, including ATM and currency exchange fees.

## **What Should You Do with Your Debit Card Before Leaving the Country?**

Since a debit card is linked to a bank account in the U.S., you should decide whether or not to close the bank account associated with the debit card before leaving the country. If you close the bank account, then the debit card will no longer work and should be discarded. If you haven't transferred the remaining balance to another bank account before closing it, the bank will generally send you a physical check with the amount of your balance to the address on file with the bank. You should make sure you can receive mail at the address on file before leaving the country, or otherwise should contact the bank to have the check mailed to a different location. If you keep the bank account, then you should check with your bank for information on whether or not your debit card can be used outside the U.S. and, if so, what fees and limitations apply.

If available, you should also download any smartphone applications associated with the debit card and enroll in electronic notification delivery options. You should generally monitor your bank account and debit card transactions on a periodic basis to make sure that your card is not being used to make fraudulent charges. You should contact the bank immediately if you identify any charges to your card that you did not make or authorize.

If the debit card has rewards, you should contact the bank to understand how best to redeem the rewards you have already earned. You may also want to stop any recurring payments being charged to the debit card if they no longer will apply.

## **What Should You Do if Your Debit Card is Stolen or Confiscated?**

If your debit card is stolen or confiscated, you should report the theft or loss to your bank as soon as possible.

## Checklist: Credit Cards, Prepaid and Debit Cards

- Prepare a list of your credit cards, prepaid cards, and debit cards. For each, include the phone number, address, and other contact information for the issuing bank or company. **Do not share this information with others.**
- Call each card issuer and let them know about the departure.

Card nickname (e.g., Visa, Mastercard, Bank card)	Last four digits on account	Type (credit, prepaid, debit)	Customer service phone number	Notes