



*The dentistry you need, as recommended by your dentist, may cost more than the amount covered by your dental insurance plan. Or, you may not have dental insurance at all.*

*How can you pay for your dental care? Ask your dentist. He or she may be able to point out financing options, such as using credit cards or a healthcare credit card, so you can pay for your treatment over time.*

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## Understanding Financing:

*Is paying over time for your dental care right for you?*



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## How does financing work?

One of the options offered by your dentist to pay for your dental work over time may be to use a credit card such as Visa or MasterCard. Or, you may choose to get a separate credit card just for your healthcare needs. But before you decide to use any kind of credit financing at all, make sure you understand how credit financing works and the payment you will be required to make each month.

There are typically two types of promotional or special financing offers you can choose from to pay for your dental care with credit financing: no interest or low interest. Both of these can give you the financing you need to pay for your dental care. However, your payment responsibilities are different for each so it's important to choose the plan that is best for you.

### No interest

This type of plan is more commonly offered by healthcare credit cards, rather than household credit cards like Visa and MasterCard. No interest payment plans typically give you a short time period to pay the balance — from six to eighteen months. Under no interest credit terms, you must make at least minimum monthly payments and pay off the entire balance within the period of time for which the credit was offered. If you do not pay off the entire balance within that period, interest charges will be made on your account. Sometimes these interest charges date back to the day of the original charge and can be significantly higher than those charged under the terms of a household credit card.

### Low interest

“*Low Interest*” payment plans are similar to no interest plans in that you apply for a fixed amount of credit and must pay the loan back within a predetermined time frame, typically longer than “*No Interest*” plans and sometimes for up to five years. With “*Low Interest*” plans, the balance due is divided into equal monthly payments that when paid every month will pay off the balance. You must make consistent, predetermined payments each month until the balance is paid in full. Interest charges will be placed on your account starting with the original purchase date. Sometimes these interest rates are lower than those charged under the terms of a household credit card.

Most household and some healthcare credit cards may offer “*revolving*” credit, which means that you have a set credit limit and, as you pay down your balance, you can use the line of credit again for additional care. Your credit limit is predetermined and you can spend any amount up to that limit to pay for your dental care or other treatment for your family. Other financing options may be “*installment*” loans, similar to a car loan, which cannot be used for any other purpose, including for additional dental care, even as you pay down the balance. If you require additional care, you would need to reapply for another loan.

## What plan is right for you?

Make sure you understand how credit finance plans work before you decide on a specific plan. If you don't understand any aspect of your payment responsibility, be sure to ask. Be absolutely sure you fully understand the terms of your loan, the payment amounts you are required to make and when those payments are due. Also make sure that you fully understand the consequences, including the interest rate changes, of missing a payment or not paying the loan balance in full when due.

### Use credit wisely:

- Only finance what you can afford. Know how much you must pay for your monthly bills and consider your monthly income before you apply for credit.
- Pay monthly payments on time.
- Never miss a payment.
- Make sure you read, fully understand and keep copies of anything you are asked to sign.

By taking the time to understand your payment options and payment obligations, you can improve your financial and oral health.

For additional information on credit, visit [www.federalreserve.gov/consumerinfo/](http://www.federalreserve.gov/consumerinfo/).

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