Along with all the regular credit card offers you get, you may have noticed recently you have received some that look like a check. So, how nice is that? A check that you can cash to finance Christmas!

These convenience checks are often sent by your credit card company. They look like free money, with 0 percent offers in bold print. These offers may seem like a tempting way to pay for holiday shopping, but you need to read the fine print to know exactly what you are getting.

The convenience check is linked to your credit card account. The promotional letter describes the check as an easy way to get cash, transfer balances or make a purchase that you have been putting off. It all can be yours if you just sign the check.

But these convenience checks can be a very costly way of borrowing money.

First, there is a fee for using these checks, usually 3 to 4 percent of the check amount.

They usually have a much higher interest rate than the APR on your credit card. Your credit card may have a 15 percent interest rate, but these come in at the higher rate that is charged for a cash advance, often above 20 percent.

There is no grace period with convenience checks. If you transfer a balance to the account or purchase an item with a convenience check, you will begin paying interest immediately.

Unlike many of your other credit card purchases, these checks normally do not earn rewards, nor do they give the same purchase protections as a credit card.

Before you use the promotional checks, check your outstanding balance, including transactions that haven't posted. Your checks, transactions and fees can't exceed your credit limit. So, check closely before using it, because going over the limit will pull down your credit score. If you go over your limit, your card issuer might not honor the check.
and you might end up paying returned-check fees to the merchant as well as over-limit fees to your credit card company.

Look for the expiration date. The check must be posted to your account by the designated date for the promotional APR to apply. If you use the check after the date, the issuer may still honor the check, but you will receive the interest rate for a purchase, not the lower promotional APR.

You may be tempted to use the check because it may be an introductory offer with a special low interest rate. Read and understand exactly how long this promotional period will last before the interest rates goes up. After the introductory period is over, you may save money by transferring your balance to a credit card with a lower interest rate.

If you know you will never use the checks, open the letter and shred the checks to protect yourself from the possibility of fraud. You can also call your credit card company and tell them to stop sending the convenience checks.

Roxie Rodgers Dinstel is a professor of extension on the Tanana District Extension Faculty. Questions or column requests can be e-mailed to her at rrdinstel@alaska.edu or by calling 907-474-2426. The Cooperative Extension Service is part of the University of Alaska Fairbanks, working in cooperation with the U.S. Department of Agriculture.