

# The Ultimate Guide to 0% Intro APR

by Jocelyn Baird June 15, 2017

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When it comes to credit cards, perhaps one of the most important — and [misunderstood](#) — aspects is the annual percentage rate, or [APR](#). There's a lot of hype surrounding 0% intro APR, but what exactly is it and why does it matter? Whether you think you have a pretty good grasp on the concept or not, chances are there are a few things you don't know. For instance, do you know what happens when you have a [credit card](#) with a different 0% intro APR

for purchases than balance transfers? Our guide will help you become a 0% intro APR expert so you can choose a credit card with confidence.

## What does 0% intro APR mean?

Your APR is the amount of interest you pay on any amount you carry over from one month to another on your credit card. Since many people like to use a credit card to [make a large purchase](#) or [transfer a balance](#) from another credit card with a high APR, some credit cards will offer new cardholders an introductory APR of 0% for a set number of months. During this time period, you will not accrue interest on any unpaid amount from purchases or transferred balances. Significant savings can be had for those who take advantage of a 0% intro APR, especially for those who perform [balance transfers](#).

## What does it mean if you have two different 0% intro APR periods?

While many credit cards will offer the same 0% intro APR for both purchases and balance transfers, you might find yourself looking at different offers from other cards. For example, [Discover it Balance Transfer](#) (detailed below) has a 0% intro APR for 18 months on balance transfers (with a 3% balance transfer fee), but only 6 months of 0% intro APR for purchases (after the 0% intro APRs expire, a go-to variable rate applies). In other cases, like with the [Barclaycard Arrival Plus World Elite Mastercard](#), you only get a 12-month 0% intro APR for balance transfers that post to your account within 45 days of account opening (with a 3% balance transfer fee, \$5 minimum), not purchases (and other cards offer vice versa). As such, it's important to [pay attention](#) when applying for a credit card so you know exactly what you're going to get. If you want lengthy 0% intro APR on both purchases and balance transfers, you don't want to bother with cards that only extends its 0% intro APR period to one. You will also need to understand when your intro APR period is up so you don't get taken unawares by the application of the variable APR to any unpaid balances on your account.

And on a final note, keep in mind that if you don't have a 0% intro APR on both purchases and balance transfers, your credit card issuer may decide to apply part or all of your minimum payments to the lower-interest balance instead of the higher-interest balance. Although the [CARD Act of 2009](#) requires issuers to pay a higher-interest balance first, this rule doesn't apply to minimum payments. This means, for example, if your minimum payment is \$40 and you pay \$140, the issuer may apply the \$40 payment to the lower-interest amount (e.g., a balance transfer with a 0% intro APR), then use the \$100 to pay down the higher-interest amount (e.g., a purchase with the standard APR), as law requires it to do. As such, a good rule of thumb for cards with a 0% intro APR on only purchases or balance transfers is not to use your credit card for any new transactions until the original debt is paid off.

## What happens when your 0% intro APR runs out?

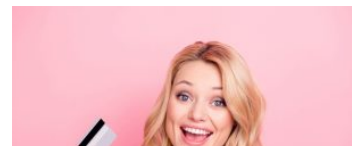
So, what happens if you have a credit card with 12 months of 0% intro APR and that 12 months [comes to an end](#)? A variable APR will be applied to any balance you are carrying at the time your intro APR comes to an end, as well as any balance you accrue going forward. If you have a credit card with different APR periods for purchases and balance transfers, then you may find yourself in a situation where you've got interest applied to one balance on your account while the other is still at 0%. This can be confusing, but it's easy if you think about your purchases and balance transfers as separate transactions on a single account, as opposed to thinking of both transactions as a lump sum. Of course, if you have paid off all balances on your account before the 0% intro APR period comes to an end, you will not be charged interest unless you happen to carry a balance later on. The best way to [avoid paying interest](#) with a credit card is to [pay your balance in full](#) before the monthly due date. Remember: 0% intro APR buys you time, but it doesn't last forever, so you should plan accordingly.

## Which credit cards offer the best 0% intro APR?

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Now that you understand 0% intro APR, how do you decide which credit card to choose to get the best offer? We've rounded up the best options for you.



One of the longest 0% intro APRs you'll find is with the [BankAmericard credit card](#). In addition to an 18-month 0% intro APR on both purchases and on any balance transfers made in the first 60 day (with a \$10 or 3% balance transfer fee, whichever is greater), this credit card features no annual fee and no penalty APR if you forget to pay your bill on time. Cardholders will also benefit from monthly FICO scores for free.



If you want to earn cash back rewards with your 0% intro APR credit card, then [Discover it Balance Transfer](#) is right up your alley. Not only will you earn 5% cash back on purchases made in rotating categories, such as restaurants, ground transportation or Amazon.com purchases, each quarter you activate (up to the quarterly maximum, then it's 1%) and 1% cash back on everything else, but new Discover customers will get the cash back they earn during the first year matched at the end of the year! That means if you earn \$250 cash back through your first year, Discover will give you an additional \$250 for a total of \$500 cash back. Cardholders will also enjoy an 18-month 0% intro APR on balance transfers (with a 3% balance transfer fee), 6 months of 0% intro APR on purchases, free TransUnion FICO credit scores and no annual fee. If you want a card with the same cash back rewards and the same 0% intro APR period for purchases and balance transfers, you'll want to look into [Discover it Cash Back](#).



The [Citi Double Cash Card 18 month BT offer](#) rounds out our list with 0% intro APR for 18 months on balance transfers (note the balance transfer fee of 3% or \$5, whichever is greater). Keep in mind, there is no 0% intro APR on purchases with this credit card. In addition to 1.5 years of 0% intro APR on balance transfers, this credit card offers 1% cash back on all purchases, plus an additional 1% cash back when you pay off your purchases. You get that extra 1% whether you pay in full or over time, so essentially all of your purchases are worth 2% overall. There aren't any annual fees with this card, and you'll get monthly Equifax credit scores to track your purchases over time.

Visit our [reviews of the best low APR credit cards](#) to get more information about the cards detailed in this post, and follow our [personal finance blog](#) to learn more about credit cards and credit-related topics.

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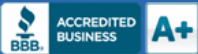
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About Author



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Jocelyn is a NextAdvisor.com writer with a love for coffee, reading and all things personal security. She currently covers identity theft, credit monitoring and credit cards. She has been a guest on several radio shows nationwide and her cybersecurity and personal finance expertise have been featured by Forbes, USA Today, Kiplinger's Personal Finance, The Huffington Post and more. She is a graduate of Syracuse University with a dual degree in Writing and Rhetorical Studies and Anthropology. Follow her on Twitter @JocelynAdvisor.



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