

## 10 RULES FOR EXCHANGING YOUR MONEY WHEN YOU ARE ABROAD

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### **1. ATMS ARE STILL THE BEST CHOICE FOR DAY-TO-DAY FUNDS.**

Although some banks have high fees to use foreign ATMs, not to mention adding on high foreign-transaction fees

### **2. "NO-FEE" BUREAU DE CHANGE ARE USUALLY THE MOST EXPENSIVE PLACES TO CHANGE MONEY.**

When you see a sign that offers "no-fee" currency exchange, be sure to check the rates. You'll notice that they are almost always significantly worse than what you'd get if you had simply taken money out of an ATM. A web site like [www.xe.com](http://www.xe.com) can give you those rates, which change daily.

### **3. IF YOU NEED A LOT OF CASH, ASK YOUR BANK TO RAISE YOUR DAILY WITHDRAWAL LIMIT.**

### **4. NEVER TAKE A CASH ADVANCE ON YOUR CREDIT CARD EXCEPT IN A DIRE EMERGENCY.**

If you take cash from a foreign ATM, you will pay a fee; you'll be charged a percentage on top of your withdrawal as a foreign-transaction charge; and you will start to pay very high interest (sometimes up to double the regular interest rate you are charged on your credit card) the moment the cash reaches your hands.

### **5. USE CREDIT CARDS FOR LARGE PURCHASES.**

Most credit cards charge a foreign-transaction fee of between 1% and 3% whenever you buy something abroad, but this is still the safest and often the cheapest way to make a large purchase.

## **6. AVOID DYNAMIC CURRENCY CONVERSION.**

If you are ever given the opportunity to charge your purchase abroad in U.S. dollars, decline.

## **7. DON'T MAKE PURCHASES WITH YOUR DEBIT CARD ABROAD.**

It's very simple. Use your debit/ATM card to make cash withdrawals. Don't use it to make purchases.

## **8. THE CHIP-AND-PIN SITUATION IN EUROPE.**

Most European countries now offer credit and debit cards with a computer chip that requires a PIN to activate and make a purchase. This is especially common in automated ticket machines in Europe, even on European toll roads. If your credit or debit card doesn't have a chip and PIN (hardly any U.S. credit or debit cards do), then you may not be able to buy a ticket from a machine with your card.

## **9. TRAVELER'S CHECKS ARE A GOOD FALLBACK IN AN EMERGENCY.**

Although the predominance of ATMs has made some people feel that the simple traveler's check is a relic of a bygone era, it can still be a godsend in an emergency. It's true that few places in the world still accept traveler's checks as payment. Normally, you must change them in a bank and will be charged a hefty fee for the privilege (though in some destinations like Mexico, it can be difficult to find a bank that will exchange your traveler's checks). But if you can buy your traveler's checks without paying a fee, they are a good fallback as an emergency stash of cash.

## **10. A BEN FRANKLIN IS ALSO A GREAT EMERGENCY RESERVE.**

A crisp, new US\$100 bill is also a good fallback as an emergency reserve of cash.