

Which Credit Card Applications Are Right for You?

When your credit rating is good, credit card companies stuff your mailbox with credit card applications. Consumers with especially good credit can get several offers a day, every day. With so many offers to choose from, how do you decide which offer is right for you?

Start by ignoring most of the promotional offers. Those 0 percent interest rates are good only for an introductory period; after six months or so, they shoot up to the real interest rate, which is usually in the double digits. Examine your credit card applications for the real interest rate, which is usually hidden in the small print or in a chart on the back. Use the real interest rate to sort your offers, and throw away the offers at the high end. Give your attention only to the offers with the lowest regular interest rates.

The one exception is promotional offers in which you are invited to roll over debt from another credit card, and the low interest rate will apply to the transferred amount for as long as it takes you to pay the loan off. If you have a large balance to transfer off another credit card, and you do not plan to charge any purchases to the card after you have transferred the balance, then this kind of promotional offer can be an excellent way to get a low interest rate on a large outstanding balance. However, if you do charge anything to the card after the introductory period, the charges are added to the card at the much higher regular interest rate, and your payments are applied to the charges made at a lower interest rate first. Before you can start to pay off the charges you made at a higher interest rate, you must completely pay off the original sum you transferred onto the card. During the months or years it takes you to pay off the original sum, the new charges will accrue hefty interest, all of it money in the credit card company's pocket. Consider this type of promotion only when you want to transfer a large debt onto a card with a lower interest rate, not when you are shopping for a credit card for daily use.

When you have a selection of credit card applications with attractively low rates, consider their default rate. This is the interest rate you will be charged if you are late with a payment, exceed your credit limit, go into default, or commit a host of other credit sins. It can be ridiculously easy to trigger the default rate, so even if you are a punctual bill payer, give careful thought to the card's default rate. Select the lowest default rate you can find.

Once you have a collection of credit card applications with low regular and default interest rates, then you are free to consider the other goodies the companies are offering. This is the fun part, so enjoy! Then fill out the credit card application you choose, send it in, and enjoy your card knowing you have gotten a great deal. Links [Low interest credit cards](#) . [Student credit cards](#) . [Student credit cards](#) .

About the Author

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