

Title:

Learn About Prepaid Credit Card

Word Count:

353

Summary:

Prepaid credit cards also called stored value card can be ideal for individuals who are unemployed, have bad credit or difficulty obtaining an unsecured credit card. Prepaid credit cards are also excellent for individuals who have a hard time controlling their spending and prevent the individual from overspending and getting into credit card debt.

Keywords:

prepaid credit cards, credit cards, guaranteed credit card approval, bad credit credit card

Article Body:

Prepaid credit cards also called stored value card can be ideal for individuals who are unemployed, have bad credit or difficulty obtaining an unsecured credit card. Prepaid credit cards are also excellent for individuals who have a hard time controlling their spending and prevent the individual from overspending and getting into credit card debt. If your objective is to establish or rebuild your credit over a period of time, make sure the prepaid card issuer reports cardholder transactions to the credit bureaus namely Experian, Equifax, and Trans Union.

It is very easy to obtain a prepaid credit card because there is no credit check or employment verification since the funds you will be using are yours and not that of the prepaid credit card issuer. Prepaid credit card spending limit or credit line is the amount of money you loaded to your prepaid credit card account. Prepaid credit card carries the Visa or MasterCard logo. It can be used anywhere MasterCard and visa is accepted except renting a car at certain car rental companies and setting up automatic recurring payments.

The difference between a prepaid credit card and a debit card is that the spending transactions are deducted from the amount of money you loaded to your account unlike a debit card where the money spent is subtracted from your checking account and could cause Non-Sufficient Funds (NSF) charges. The NSF charges are due to a customer drawing funds from an ATM or making purchases that exceeds the balance in their checking account. With a prepaid card this will

never happen since the prepaid card holder is not borrowing any money and can only spend the amount of money loaded to their prepaid account.

With prepaid credit card there are no interest charges because you are using your own money. To obtain a prepaid credit card requires paying a setup or application fee and may charge a fee each time you load more money to your account. Some of the ways prepaid credit card can be funded is with a wire transfer and a cash deposit at certain locations approved by the issuer.