

College credit card

All about college credit cards

College credit cards are the credit cards that have been specially designed for college students. College credit cards are more popularly known as student credit cards. College credit cards allow the students to experience the benefits of credit cards much earlier in their life. Through college credit cards, the college students are able to learn more about credit cards and their use. In fact, for most of the students, their college credit card is their first credit card that acts as a gateway to the world of credit cards. Some other students might have previously used supplementary credit cards linked to their father's credit card account; however, for such students too, their college credit card is the first one that is truly theirs.

College credit cards are not very different from other types of credit cards in the basic sense; they function in the same way as any credit card would. However, there are some differences, which basically arise from the fact that college credit cards are used by people who have no prior experience with credit cards and who perhaps don't understand the concept of credit cards completely. Hence, the credit card supplier is at risk with issuing credit cards (college credit cards) to such people whom he is not sure about. Most of the students don't have a credit history either. In such a case, the supplier of college credit card cannot be sure of receiving the credit card bill payments in time (and even receiving them at all). To counter such risks, the supplier of college credit card requires the parent of the student to co-sign the college credit card application form as a guarantee. Moreover, the credit limit on college credit cards is generally around \$500-\$1000 per month, which is lower than what it is for other credit cards (this credit limit is generally sufficient to fulfil the typical needs of a student). Another risk mitigation instrument used by the college credit card suppliers is the interest rate or APR. The APR on college credit cards is generally higher than that for other credit cards. Again, this is done to dissuade the students from overspending on their college credit card (and finally not being able to pay their credit card bills). However, if we were to look at these impositions in a positive sense, we would find that these are actually in favour of the student (who is still getting trained to take on the real world of credit cards). Moreover, college credit cards also help the students in establishing a (good) credit history which is another important benefit that becomes handy when the student needs any type of loan at a later stage in his/her life.

So, college credit cards are really something that every student should consider going for.