

Title:

5 Reasons Why You Should Eliminate Credit Card Debt

Word Count:

515

Summary:

One late payment can cost you dearly with credit cards. Not only will you have to pay up to \$40 as a late payment charge but you interest free benefits and low interest rates could be at risk. Even missing a payment on your car loan can mean a hike in your credit card bills. Here a 5 reasons why you should eliminate your credit card bills today.

Keywords:

credit card debt, eliminate credit card debt

Article Body:

1. Credit card companies can change almost all of the terms of the credit card by giving just 15 days notice.

We get used to credit card companies adjusting their lending rate by 1/4% as interest rates fluctuate but did you know they can alter any of the terms for any reason. For example they can increase the late payment fee and they can increase the interest rate without the need to justify it. If you are late or miss just one payment the low rate you are currently being charged can double or even treble almost overnight.

2. Credit card companies can increase the cost of a purchase months after you bought it.

If you purchased a widescreen plasma TV 3 months ago, using a card which at the time was costing 9.9% apr, and you are late with just one payment, the credit card company can charge you a late payment fee, say \$40, and increase the interest rate to 29.9% apr, or even more, and there is nothing you can do about it.

They can, in effect, increase the cost of your TV months, or possibly even years after you purchased it. The TV retailer wouldn't be allowed to do this but your credit card company can.

3. Discount offers are only good if you keep up all your payments.

Interest free balance transfers and initial periods can disappear for any minor omission. Failure to keep to all the terms of a card will result in special terms being withdrawn and possible penalty interest being applied. If you have interest free purchases and balance transfers make sure you keep up the payments.

4. It's not just your card payments you have to keep up.

If you miss a payment on your mortgage, or your car or any other financial payment, your credit card companies can re-assess your credit score and increase your interest rate accordingly.

If you therefore miss a loan payment on your boat or car, but still pay the payments due on your cards, you can find that your credit card interest charges jump to 2 or 3 times the original rate.

5. Credit card companies are today making record profits from you.

If you don't pay your cards in full each month credit card companies make the majority of their profits from you and a substantial portion of that is in the additional charges they levy.

It makes little or no sense to keep money in the bank earning 5% maximum and pay 29.9% or 19.9% or even 9.9% on your cards. Pay off the card and use the card for emergencies rather than the savings. Without the card payments you will be able to rapidly replace the savings.

Without your knowing credit card companies can hold you hostage at the very time you may really need financial assistance. Don't allow credit card companies the continuing opportunity to make record profits at your expense, and at the same time the opportunity to benefit from any misfortune.

If you can pay the balance off withing 3 to 6 months do so otherwise consider some form of consolidation loan to remove the noose credit card companies have around your neck.