

Title:

Bankrupt! But Still Receiving Credit Card Offers

Word Count:

409

Summary:

Those who have bad credit or who have recently filed for bankruptcy may be surprised to find that they are still receiving numerous credit card offers. This has become a well known issue, and it is apparent that banks either don't know or don't care that the people they are sending offers to already have bad credit.

Keywords:

credit, cards, bankrupt, credit cards, poor, history, check, pay, loan, bad, adverse, declare

Article Body:

Those who have bad credit or who have recently filed for bankruptcy may be surprised to find that they are still receiving numerous credit card offers. This has become a well known issue, and it is apparent that banks either don't know or don't care that the people they are sending offers to already have bad credit. In most cases, banks and credit card companies don't take the time to research people they send offers to.

While most credit card companies are partial to consumers who have excellent credit, some companies have programs that are directed towards those who have little or no credit. Despite this, credit card companies should still not be sending offers to consumers who have filed for bankruptcy or defaulted on their credit cards in the past. In most cases, banks are either intentionally sending offers or just don't know about the credit history of those they mail offers to.

Traditionally, credit card companies have used a business strategy that is very profitable. They would charge consumers 19% interest on the money that was borrowed, and they would also charge an annual fee that could be as high as \$20. Combine this with the money they received from retailers who accepted their cards, and you are looking at an industry which generates billions of dollars each year. During this time, banks were cautious about who they gave cards to, because they couldn't afford to suffer heavy losses.

By the 1990s, banks began to have access to detailed credit information about

their customers. Institutions like Equifax, TransUnion, and Experian allowed banks to make specific decisions about customers who applied for credit cards. With this technology, you have to wonder why credit card companies would send offers to anyone, including those who have filed for bankruptcy. The answer is because it is cheaper to mass mail cards to thousands of consumers rather than look for specific individuals who qualify.

It is best for those who have bad credit to avoid applying for these offers. If you get denied, you can be hurt even more, and you should want to repair your credit. If you want to avoid all credit cards, it may be a good idea to look at prepaid debit cards, which can be used like credit cards without the problems often seen with them. The use of credit cards is important in the US, and if you can't apply for one there will always be other options.