

## Title:

Bad Credit Card- Offered By Many Companies

## Word Count:

566

## Summary:

Check-books and paying with cash is becoming less frequent as more people are using plastic to pay for purchases. Checkbooks are being replaced by debit cards and the use of credit cards is rising. Online shopping has helped fuel the need for a credit card.

## Keywords:

bad credit credit cards

## Article Body:

Check-books and paying with cash is becoming less frequent as more people are using plastic to pay for purchases. Checkbooks are being replaced by debit cards and the use of credit cards is rising. Online shopping has helped fuel the need for a credit card. Unfortunately people with bad credit are normally not approved for a credit card. It is not hopeless, there are avenues for those with bad credit histories to enter or return to the world of plastic.

Bad credit - credit cards are offered by many companies. This became a necessity since individuals with low incomes or credit problems would be declined for a low interest, no fee credit card. Many of these companies use what is called Risk Based Pricing. What this does is they have several types of offerings with different interest rates. The rate they offer is based on your credit score. So if you apply for one card you may get declined but offered a card with a higher rate. This is an excellent way for someone with a bit of a negative credit history to be approved for a bad credit, credit card.

So what about those individuals with no credit or extremely negative credit? They may need to look at another type of bad credit, credit card. There are several companies that target these types of people. They offer what is called a starter card. This type of card has a very high interest rate and very low credit limit. There are also a substantial amount of fees normally connected with these cards.

These cards pale in comparison to the more normal type of credit card offers but the acceptance rate is high. By using, one of these bad credit, credit cards and

keeping with the terms of the agreement, making payments on time in a period of time your credit rating will be more positive. This will allow you the opportunity to apply with a better chance of acceptance for a lower rate and more favorable term credit card.

There are some individuals with such critical credit problems, a recent bankruptcy for instance, that a starter card would not be an option. If this is the case the only solution that would be left is a prepaid credit card which is sometimes called a secured card. The fact they look like a credit card is the only similarity. They need to have funds deposited to use them. You are virtually guaranteed to be accepted for this type of bad credit, credit card.

They work the same as any Mastercard or Visa but you can only spend the amount of money you have deposited. This leaves very little risk to the card issuer since you can not incur any debt with them. Because the issuer of the card will not be making any money on monthly interest rates for the balance they make their money in other ways. They can charge a fee for applying, an annual fee, an administration fee even a small percentage for every time you purchase something with the card. You will want to research several companies before applying for this type of bad credit, credit card since these fees can vary greatly.

Basically what all this means is even with a bad credit rating, nearly everyone can find a bad credit, credit card. It may take some research but it can be accomplished.