

Credit---Is Your Number Up?

Whether your looking for a new home, car or shopping for insurance these days your credit has a lot to do with how much you're going to have to pay. These are the days of credit card companies making huge profits and hiding your information to keep others from taking you away from them.

Let me start out by saying that before you take any credit card these days you had better be doing your research on the company you plan on working with for 5, 10 or even up to 30 years of service. Yes, some of you out there may have credit cards out there for 30 years or more just to try to pay off the interest that you have accumulated over the last several years and haven't even realized it. So what are the issues that I am referring to? Where should we start?

Let's start with the terms of a credit card one might expect. You might think that when you receive your brand new credit card and use it for the first time that you have a thirty day grace period in which to pay back the monies borrowed. In most cases this is not true and in some cases the period can be just a few short weeks. A grace period is the amount of time upon which you are using a creditor's money. It's their job to figure out how to make money off of you when you borrow it for a period of time. Even the borrowers that have got the grace period down to a science and pay by web payments often find themselves with some kind of interest surcharge being levied by the service provider. The credit card companies are always looking for ways in which to find loop holes or circumvent the system so that unsuspecting borrowers will wind up having to pay some more in fees.

What are some of the other terms that companies try to trip you up on? One of them is if you charge more than what you are allowed to actually charge or go over your high balance limit. There can be fees and penalties involved. There are fees charged for transferring balances from one credit card to another if you are not careful or there could be a fee if you are transferring a balance from a competitor's card to your own card. It is estimated that there are over 14-15 billion dollars in fees generated each year from various types of fees these companies charge their customers.

What else can have an affect on your credit score that these card companies feel free to charge without your knowledge or consent? Probably one of the biggest new things we hear about now is how some companies like "What's in Your wallet" will not report your high credit limit or high balance. This can have a big impact on your credit scores especially if you have several of these cards in your wallet. It has a direct bearing on your credit score and the company will not report your high balance even if you request it in writing every month. My advice is to pay down these cards as close to a zero balance and look for a new card. Do not close them right away or that could actually have a negative effect on your account. Wait for about six months or just let it stay at a zero balance.

For more information or to have me take a look at you credit report please contact us either by phone or through our web site.