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Low Interest Cards - A current tool to eliminate old debt.

by Ted Hamilton

When the average person thinks about getting a credit card, they often do not think of using it as a tool to get out of debt. Their thoughts are more down the line of: 'If I get a credit card I might end up getting myself into debt.' While this can be true, people do not realize a credit card with a low interest could help get them out of debt.

Close to 70% of Americans carry a balance on one or more credit cards and 45% of them only make the minimum payment each month. If people keep a balance on their credit card and transfer the balance onto a card with a lower interest, they could have some room to pay it off. Getting a low interest card will definitely give you a hand up on paying off your credit card balance, because it can save you at least half of what you are spending in interest alone.

Thanks to the boom credit card companies have experienced in the past years, many companies offer some kind of a low interest rate. In the past, companies charged customers an annual fee for having a low interest card. Now, because of the fierce competition, almost every company offers a credit card with no annual fee at all.

Most interest rates on credit cards are between 20-25%. There is a large difference between a credit card with low interest as a feature and one without. The interest rate on a card that has a low interest rate is between 10-15%. If someone keeps only \$1000 a month on their balance, they could be paying \$200 in interest alone. On the other hand, with a low interest card, the same person could be paying only \$100. That is just half of what a person would be paying with a regular credit card. That would leave you \$100 to help pay off your balance or to spend the money one whatever you would like.

It is important for credit card holders to realize that there are ways to ease the burden of a credit card balance. Having a card that has a low interest rate can help to do this by lessening the amount of interest you have to pay on that balance. You can then save that money you would have previously spent or spend it anyway you please. This way, the credit card companies can not get a hold of money you could be keeping for yourself. People should understand that a low interest card is one way to help get themselves out of debt.

by Ted Hamilton

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