



## CompareCC Full Text Article:

### Getting started or staging a come-back, Prepaid cards offer a path.

by Derek Lenehan

Say there, you, Internet-surfing consumer. Have you been through a divorce recently? Have you been laid off? Have you run up some massive bills because of something unexpected, like your daughter driving through your kitchen wall while she attempts to learn basic automobile skills? If so, you're probably part of a large mass of people between the Pacific and the Atlantic, specifically those under Canada and just north of Mexico. What population is this? Why, you're an American with bad credit! Welcome! We meet weekly to consume foods laced with trans fat, burn as much gas as possible, and tank our credit even more in efforts to restore it.

So I bet you feel pretty good after that. No? Well, if it's any consolation, there are ways out of that population, aside from moving overseas. Does the term 'prepaid debit' mean anything to you?

It doesn't? I suppose that's why you're reading this. Well, basically it's a credit card substantially reduced in risk for both you and the bank that issues it. You select your own credit limit with prepaid debit cards by putting money on the card prior to being allowed to use it. This is to eliminate the risk for the bank, however you as a card holder can still go over your limit and get hit with fees, and aren't entirely protected from the troubles ordinary credit card holders face. The idea is that you won't go over your limit as frequently, because you'll know exactly what your limit is.

Prepaid debit cards are the minor league of credit cards, if you think only in baseball terms. If you're just starting out and have little to no credit, they're a fine starting point. If you've botched your finances lately, they're a proving ground to show that you've really, honestly, for certain this time, reformed your irresponsible ways.

Many prepaid debit cards report monthly to several credit bureaus. This can be rewarding if you keep under your limit and don't do anything that would upset the aforementioned bureaus. This feature can take you quite the other way if you do mess up with your card, so be careful.

If you're worried about being the only person in the office with an 'inferior' credit card, you can rest assured, you won't be taunted or made fun of for your poor luck/budgeting skills. Almost all prepaid debit cards look the exact same as every other credit card out there, to ease customers' unnecessary embarrassment.

Prepaid debit cards are also obtainable with less-than-shiny credit, which is contributing to their rising popularity. Consider them if you have been rejected for other credit cards and want to increase your standing in the eyes of creditors everywhere.

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