

## Bad Credit Credit Cards Can Help You Get Back on Your Feet

During the economic collapse of 2008 and 2009, many people suddenly found themselves without incomes through no fault of their own. As a result, they were unable to make monthly payments on their mortgages, loans, and credit cards. Many filed for bankruptcy protection. People who had the power to purchase almost anything they wanted just a few months before were powerless to do anything but sit back and watch their good credit rating slip away.

In years past, bankruptcy would have meant that all purchases would have to be made with cash for at least seven years, rendering big purchases such as appliances and cars pretty much out of reach. For those who want to get back on their feet and reestablish their good credit rating, there now are secured, or bad credit credit cards to help them on their way. However, bad credit credit cards are not intended to fuel an irresponsible lifestyle. An upfront cash deposit is required to obtain bad credit credit cards, and they allow only a minimal initial credit limit. The debtor can use the card for small purchases, pay the balance off monthly, and gradually reestablish his credit rating over a period of time. Then, once a good payment history is established, the lender may gradually increase the credit limit and eventually switch the customer to an unsecured card.

This may sound like a dream come true, but there are cons to bad credit credit cards along with the pros. Some cards charge exorbitant fees in the first billing statement that can eat up the entire credit limit. They will also frequently charge high interest rates that can themselves eat up the credit limit and generate over limit fees and charge interest from the moment of purchase, rather than allowing the usual one month grace period.

Bad credit credit cards can be invaluable to rebuilding your credit rating, providing you do your homework ahead of time. Just be sure, whichever card you choose, that the company reports to all the major consumer credit bureaus. Otherwise, all your good intentions will go to naught. Also remember that bad credit credit cards are only a tool to help you get back on your feet and not a permanent solution. You are on your way to a fresh start if you can find a card company that reports to the major credit bureaus, charges reasonable initiation fees and interest rates and offers a grace period for interest on your purchases.

### About the Author

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