

How to avoid credit card debt assignment

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Kashune Smith Sarah Stephens English 101 Solutions paper How to avoid credit card Debt Credit card debt is a big problem in the United States today. The lending creditors are taking advantage of consumers, which pile up charges on their credit cards, to the point they are unable to pay of f the card at the end of the month. Consumers end up relying on the credit that is provided by the card issuer. It becomes a ‘ means to an end’ and the worst kind of debt consumers can accumulate A Good way to cut down on credit card debt is, not to charge things like meals, groceries, or going to the movies.

Don’t charge something if it won’t exists when the bill comes. By paying cash for these kinds of things, you will save your credit for true necessities. Charge only what you can afford, try not to use a credit card to finance an unaffordable life style. If you can not pay off the entire balance or most of the balance every month, then you are overspending. The single most important rule about wise credit card use is, consumer must learn to pay off the entire balance each month. It will cut down on their rising interest rates, and other penalties the credit card companies apply each month.

Credit card debt is perhaps the largest reason why so many of us go into debt every day. We have begun to use our credit for everything. The high prices most business charge for using a checking debit card. This has pushed consumers to use their credit cards more often. Credit cards are a very convient tool for making purchases. Many people use credit for paying bills and planning expensive vacations via internet. Avoid purchases on things that will depreciate, such as buying cars, clothing, furniture, and iPods.

Put to use towards college that will give you a brighter future. Plastic has become the norm, while many consumers are using their credit cards responsibly, some are just simply irresponsible to manage their credit card charges correctly. Many consumers have a tendency to over spend more than they can afford. If you can not afford the item or service, but you need it right away. For an (Example “ you must repair your car to get to work) in this case it may be a good time to charge it. Make a plan to pay off the balance overtime.

Figure out how much you can pay each month. Find out how long it will take you to pay the balance off. Create a budget if you cannot keep your credit card spending under control. Make each credit card purchase only within the frame work of your budget. “ If you can not stick with your budget, then do not carry your credit card with you”. Keep one in the house for emergency use only. Many consumers in today’s society, have been making cash withdraws from their credit cards. The lending companies make daily interest off the cash withdraws.

This means if you pay the entire balance in full, you still will have to pay interest. In addition, credit card companies, apply payments to the lowest interest rate first. When you withdraw \$300. 00 your cash advance will continue 30% interest until your \$3000 purchase balance is completely paid off. Consumers should keep up with their interest rates. Especially when making credit card transactions. Creditors can approve you for a set interest rate, and they may subject to change your interest rate at no apparent reason.

My suggestions are Consumers should pay the credit card bill on time every month, and check their billing cycle dates. mail a payment in 1 week before the credit card statement is due. avoid accumulations of late fee. this will cause the credit card interest rate to go up. Allow a grace period of at least 2 weeks when you mail a payment. Consumers for many years did not know, when paying the minimum balance, additional finance charges are added. It will take longer to pay off the total balance. Consumers can prevent this from happening by not sending in the minimum balance.

Pay over the minimum amount that is due. Some consumers may have an outstanding balance on their accounts, with a high interest rate. I would simply call the credit card company and ask if they can lower the credit limit. In most cases some companies would try to tell you they can not lower the credit limit, and or convince you why this would be a bad decision. It has been a known factor for some consumers would have their credit limit decreased, and they would end up exceeding their maximum limit.

The credit card companies would add on penalties and their credit rating would drop. In my previous experiences I have learned to keep money at hand. Avoid making unnecessary loans from credit cards. If I do not have the money to pay it back. Make sure the balance is paid in full at the end of the bill cycle date. This is crucial to avoid finance charges. Always pay over the minimum payment is due, to shorten the amount of years you have to pay off the credit card balance.