

Credit Cards - Friend or Foe?

These days nearly everyone has a credit card and you've probably heard many stories about people who have overcharged and gotten into trouble with them. But credit cards are not all bad, they can be very convenient and have advantages over carrying around a lot of cash. You just need to be careful with them and know your limits.

A credit card is a financial agreement between you and the credit card company. The arrangement specifies that you borrow money from the lending institution with the promise that you will pay them back in the future. The institution agrees that it will provide the money you need and in-turn you are expected to return payment over a certain period of time. Your payment will include not just the amount of money you borrowed, but also an additional charge based on a pre-defined rate of interest.

Credit cards can be very convenient. Lets say you are shopping and see that perfect pair of shoes that will match your favorite dress. You've been searching for a long time for those shoes, but you don't have any money right at the moment. Thanks to your card, you can buy anything you want right now. Credit cards give you that wonderful allowance not to bring that much cash and to order goods from catalogs. In addition, many of the online-based shops and stores, such as Amazon.com, mainly accept payment using credit.

Credit cards are also great in emergencies. What if your car breaks down and you need money right away to have it towed? Or if there is some sort of family emergency and you cannot get to the bank. Having that credit card in your wallet can make a stressful time a bit less stressful.

Credit cards can also help you budget. Putting all your bills on a credit card, can help you see an itemized list of expenditures each month. Of course, you must be diligent in paying them off at once.

Credit cards save you from having to carry around a lot of cash.. In today's world, carrying large cash has become a problem. If your cash gets lost, there's no way you can retrieve it. Compared with credit cards, money cannot be returned back when it got lost or stolen. If your card, for example, got broken or it got lost or someone stole it from you, you can always ask for a credit card termination or cancellation. You will have another card, a new one that will replace it in a few days.

They are also very convenient for vacations or business travel. If you're quite a traveler, whether across the town or country, or outside the US, it is relatively easier to travel with a credit card.

When used responsibly, credit cards can help improve our daily lives. With credit cards, life can be much easier. However, the joy of using credit cards can quickly change to a curse!

If you haven't been diligent in watching your credit card expenditures and find yourself in a situation where you have charged beyond your means you might be starting to get notices from creditors to pay or "else". Are you worried that you might lose your properties like your house because of credit debt? Dealing with credit card debt is not as hard as you may think. Here are some simple tips to help you cope with your credit card debt:

If you want to have a grab of your financial situation before you lose everything, making a budget is what you should do first. Assess how much do you get from your income or other means and your expenditures. For example, if getting that posh apartment means you have to limit your meals to once a day, then it is not a great and sound budgeting decision. Your goal is ensure that you can answer for all the basic necessities: food, housing, clothes, health-related costs, among others.

Remember: Running away from your creditors is not the answer. It is not a solution, and may in fact lead you to bigger problems. If you are having trouble paying off your debts, address this immediately with your creditors. State to them sincerely and fully the reason why it has become hard for you to pay these debts, and check if they could give you a revised payment arrangement that will put you at ease on your payment terms. Do not let creditors turn over your situation to someone or an agency to do the collecting for them, as this means that they have given up on you.

There is a law that gives certain conditions for debt collectors as to when and how they should ask you to pay. The federal law, Fair Debt Collection Practices Act, clearly states that those collecting debts may not bug you, give false assertions, or do practices that are not fair when they are getting to collect money from you.

You could also consider getting the aid of groups or institutions that will help you in your problems. If you managed to have an improved payment arrangement of your debt with a good credit counseling organization, creditors may approve of your proposition and accept your modified arrangement plan..

Credit cards can make your life easier - but they can also make it a lot harder! Learning to use your credit card responsibly will help you enjoy the convenience of credit cards without all the worry.

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Find out how to repair your credit with the free credit repair report at <http://www.credit-repair.freeinfoplace.com>. Lee Dobbins is a freelance writer and enjoys writing about many topics including debt and credit repair.