



Compare 0% vs. Low

Credit Learning Center



An Examination into the Subtle Differences Between Low and 0% Offers.



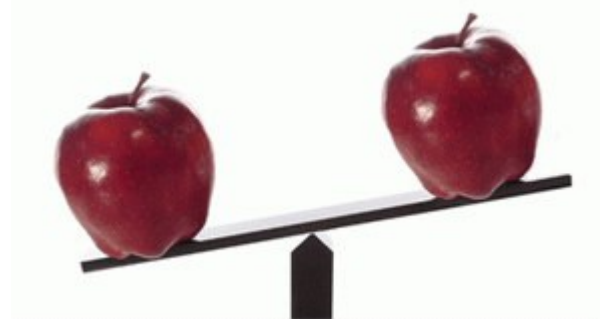
Low Interest Credit Card Offers

Compare Low Interest To 0% APR by Bob Larson

Compare Low Interest To 0% APR

When it comes to characterizing a credit card based on interest rates there are three groups. You either have a 0% interest card, a low interest card or both. The best card offers both in one package, a zero percent introductory and then a low interest rate to follow, but not many cards are like that. So when faced with the choice, which one is better? Should you go with the zero percent interest or the low rate? After you read up on some important information in this article, hopefully you will be able to decide for yourself.

So let's talk about low interest cards. These are not 0% cards. These types of cards don't offer an introductory rate; however, the up-front low interest that you get is the interest rate until you incur a reason to be raised or the Prime rate changes drastically. Like with everything, you have to give a little to get a little, therefore the better your credit the lower your rate.



Now, let's talk about the pros and cons.

If you have read any of my other articles you'll know that I always like to start with the bad news first. The biggest con of a low interest card is that you don't get that 0% introductory APR. Also with these cards you don't save as much money on balance transfers or new purchases.

But everything has balance. For bad sides there are good sides. With a low interest card you will save money on long term purchases which is always a plus. You don't have to worry about a surprising interest hike after the promotion period either. With these low interest rates you won't have to switch credit cards after the promo to save money either.

Now we can move on to the 0% APR cards. These fancy cards usually come with all the bells and whistles to drag you in, but no party lasts forever. These types of rates are only an introductory rate. If you use this card properly you will be able to save a lot of money, but you have to be smart about it. Once the promo is over your APR may jump to a higher rate than other credit cards.

So let's talk about the cons. The big one is that interest may compile after the promo ends. Sometimes if you carry a balance at the end of the introductory period, you may be charged back interest from the date you opened the card. This kind of rate could easily cause overspending. And as I already said, the rate doesn't last forever and may just to a high rate after the promo period.

But there is great news too. You are going to save a lot of money on transferring previous credit card balances. You save a lot of money on new purchases that you are going to pay off quickly. You can carry your debt interest free by changing cards regularly.

Now you know about both cards, but as I said before there are a few cards that offer the best of both worlds. With these special cards you get all the bells and whistles of a 0% introductory rate and when the promotion period wears off you get the benefit of still having a low interest rate. These cards are the ones you really want to have, but they are hard to come by and you must qualify for them. So before deciding whether or not to go with a zero percent or a low interest card, you need to decide what kind of spending you are going to do.

If you are going to do a lot of little spending or a big spending that you can pay off in the promo period, than 0% will save you a lot of money. But if you are going to spend on large purchases that you are going to

need more time to pay off then you should look for a low interest card.