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Credit Bureau Reporting, a bonus of Easy Approval cards.

by Derek Lenehan

Easy approval credit cards are for the many of us who have pretty bad credit. These cards have a significantly lower set of standards for an applicant to be accepted, and are available from several issuing companies.

As one would expect, though, these cards come at a cost to the applicant in comparison to other cards that are a little more challenging to acquire. Many have an 'account setup' fee, and nearly all of them have an annual fee as well. Easy approval cards typically have a low credit limit, usually in the mid to low hundreds, as well as varying interest rates. Some advertise rates as low as 9.9%, though to qualify for such an APR your credit would probably have to be pretty good, likely good enough not to need an easy approval card. Others advertise APRs as high as 19.75%.

Very few, if any, have a low introductory period with their interest rates, so you'll dive immediately into whatever APR you get assigned. There are a few easy approval cards that allow balance transfers, though most do not, and you can expect a notable balance transfer fee on the cards that do.

Not deterred or scared off by all that? Good. There are some upsides to easy approval cards if your credit has fallen as far and as fast as a meteor. If you can keep up with the payments and the various fees, most cards report to several credit bureaus, which means that if you play can play ball, they will tell the people that can make your credit better. Go for an easy approval card if you can be a conservative spender for a while.

One thing to remember: do not, under any circumstances, get an easy approval card if you can not make payments on time. Say you're rolling down the hypothetical financial hillside, taking out credit card after credit card to pay off bills and your old cards. Your credit is already ridiculously bad, so you figure 'hey, I can get one of these cards to stay afloat a little while longer!' This is a mistake. With the higher interest rates and fees, if you default on one of these, you'll be blown back into the Stone Age by your bill. And don't forget they report to credit bureaus monthly. You see how ugly this could get.

The point I'd like to make is that easy approval cards are risky, but can be beneficial if you pay close attention and don't do anything crazy. Keep in mind if you need one, your habits with money are probably not the best, so you need to reform a little before you take one of these on.

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