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Big savings with a low intro card, if you can follow the rules. All of them.

by Derek Lenehan

A common term you might hear in commercials or read in a print ad is 'low intro.' Those two words mean that a particular credit card has a lower interest rate when you first get it than it will after some time passes. The most commonly advertised low intro feature, in my experience, is something along the lines of this: 'and this fantastic credit card is not only guaranteed to make you more attractive, but IT HAS A 0% APR FOR THE FIRST 12 MONTHS!!' You've heard the latter part of that hundreds of times, I guarantee it. All it means is that, if your credit is delightful, you get a year of no interest on whatever your unpaid balance is. It's shocking how few people know that.

Low intro is more of a feature a credit card can have rather than an actual category of cards, as the majority of available credit cards have a low intro interest rate. Of course it sounds good, and is good if you can get approved for it, but you might be asking just what exactly the point is. Is it just a marketing term that could save you a few dollars but mostly just dazzles the uninformed? Sometimes. Are people impressed by it without knowing what it means or even if they can get it? Usually, yeah. Does it have any actual benefit? Yes, potentially quite a bit.

A very beneficial side of a card with a low intro interest rate is that, if its rate covers balance transfers, as a few do, you can shift all of your debt to this one card that temporarily has very little or no interest, instead of on your other cards that are about to cost you a limb and two vital organs each.

Low intro cards without balance transfers can help as well if you have a lot of spending sprees coming up and you want to only make the minimum payments on them. Be cautious, though, because that is a pretty bad habit to start. If you don't get back to heavier payments when the low intro period ends, you might find yourself in a soup kitchen wearing your tee-ball jersey from first grade and a newspaper for underwear. Or you might just get charged a hundred dollars or so more than you'd like. Either way, avoid reckless payment-making after the intro period ends.

Another tip; don't get a low intro card because a telemarketer or letter or popup ad tells you it has 0% APR. Find out if you yourself qualify for it. Banks do not make money by not charging interest, so odds are a very low percentage of their clientele ever get 0% interest for any time of period, let alone a year. As with everything involving credit, low intro cards should only be acquired if you've done your research and read the fine print.

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