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### Low Introductory periods - Big savings if used properly.

by Ted Hamilton

One thing some credit cards offer is a low introductory interest rate. For the first six to twelve months, the cardholder will be charged very low interest. Depending on the card, the holder might not be charged any interest at all during this time period.

After a certain period of time, the card then goes to a normal rate where the holder will be charged a higher interest. The rate is set by whatever credit card company that you went through, and the new rate would have been given to you before hand, so there won't be any surprises.

A good example of how a low interest card can help is what happened with my friend Corey. He had a good paying job, was debt free and the only one of our friends to have his own place straight out of high school. However, several house parties and a couple lonely nights later, the beer and phone calls had run his credit card bills so high that he could no longer pay it off every month. To help give him some breathing room he applied for a low introductory interest rate credit card with a different company and transferred his old credit card balance to his new one. The low intro interest rate gave him the room he needed and he quickly paid off the balance before the low rate expired.

Many people experience the same thing, maybe not with beer and 900 numbers one discovers on late-night infomercials, but with everyday things like groceries, clothes and electronics. Low introductory rates can greatly help ease someone's burden. If the cardholder can pay off his entire amount before the low rate expires, they can save a lot of money by not dealing with interest.

If you have something that you want to buy like a big screen TV or are having a party and need the essentials (kegs, beer bongs, liquor, 900 numbers on speaker phone) a low intro card would be perfect. Instead of worrying about paying off the balance by the end of the month so you will not get hit with such high interest rates, you can have some space and pay half of it off one month and the other half the next.

The other good use of low intro cards is that they are almost like a short term loan that is interest free. If you are a small business owner and you have a slow time during part of the year, having a credit card with a low intro could help give you a boost so you do not lose too much revenue. Also, if you are in desperate need of a loan and banks refuse to give you a loan, using a low intro credit card would be better than, say, asking the mob for a loan. If you do not pay the loan off by the time your rate goes up you will have to start paying interest, but at least you won't have to pay with broken legs or wearing a pair of cement shoes.

Although low intro cards were developed to appeal to people to get them to sign up with a certain company, there are countless things you can use them for. Paying off balances on other credit cards, short term loans and making large purchases while allowing yourself some breathing room are some of the things a low intro card can help you with.

by Ted Hamilton

Ted Hamilton is majoring in Magazine Journalism at Kent State University. A minor in Political Science along with membership at Society of Professional Journalists keep him busy when he is not writing for the Daily Kent Stater as a Feature's Correspondent.

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