

Tips when Applying for a Student Credit Card

Student credit cards can be an amazing asset to have to help pay for your textbooks and other costs that arise, but at the same time, they could be your own worse enemy.

If you learn how to control your spending and make a budget before you get a credit card, they can be very beneficial instead of harmful to you. These credit cards can provide a financial cushion for your educational needs as well as personal needs. They will also give you a head start in building your credit history. This could be extremely beneficial because the younger you start building your credit, the better it will be. This could lead you to get better rates on your home purchase and car purchase once you get out of college.

Credit cards also make sense to use as a fallback in case you do not have the cash needed and emergency situations arise. For example, you are about to start a semester and don't have the cash to pay for textbooks. Not having the textbook could lead you to fall behind on your studies but if you have a credit card, you could avoid the hassle and simply purchase the book on credit.

If you decide that a credit card is right for you, then the main things you should look for are the available credit given by each company and the interest rate presented to you. The lower the interest the better obviously. Also, if you want to plan well and not fall into the temptation of overspending with credit cards, you might want to consider a card that has a relatively low limit that will allow you to buy the things you need without overspending. This will allow you to stay in check with your spending and will reduce the risk of falling into credit card debt.

Most companies offer student credit cards that are available to nearly every student even if you do not have a good credit history. If however, you have a decent job and are making consistent income, you might qualify for a regular credit card that usually has better interest rates and a higher limit. The choice can be made a lot easier by searching online for special offers and the requirements that are needed for each. Always aim for a credit card with the lowest annual percentage rate possible and look for ones that have no annual fees if possible. Most student cards have minimal fees that are a very good for people just starting out with credit cards. Also, once you do get your credit card, remember that paying the full amount due every month will eliminate the interest accrued for the month and will act like a 30 day interest free loan on any purchase. If you choose to do this, make sure you have the cash at the end of the month to pay off the card completely. This is also a good strategy to build a solid credit history.

Finally, never get ahead of yourself with spending and don't max out your credit cards. As long as you learn how to budget your spending you will have a great resource to use for years to come.