

Low Rate For Life Balance Transfer Credit Cards

Contributed by Webmaster

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If you're a responsible cardholder who needs a little help getting back on the right track, a credit card that offers a life-of-balance transfer can not only eliminate excessive interest but also realign your credit score.

Most financial organizations offer credit cards with a low promotional interest rate on balance transfers. But while these special rates usually expire 6 or 12 months after you open the new card, some cards make these special transfer rates permanent. If you qualify for a life-of-balance transfer, take advantage of it!

Life-of-balance transfer interest rates are often lower than normal credit card rates, varying from an amazing 0 percent to 9 or 10 percent, which is still much lower than traditional interest, which can be as high as 30 percent. If you have a balance on another credit card that's gathering 20 percent interest each month, why not move it to a card with half that? The savings will quickly add up. Plus, with a lifetime rate guarantee, you can take your time paying off the transferred balance (though, as always, it's best to pay as much as you can as quickly as you can).

However, be sure you do your homework before you jump in. For example, some cards only guarantee the life-of-balance transfer rate if you also use the card regularly for purchases, say twice or three times a month. This way, the company can offer a great deal but can still squeeze some interest payments out of you, the customer. However, read the fine print - the company may not specify exactly how much those purchases must be; buying two or three packs of gum each month might be enough to ensure you keep your premium transfer rate. But keep in mind, other cards will yank away your low interest rate if you DO make purchases with your card. Be sure you read the fine print!

Also, realize that what you're initially offered might not be what you're ultimately approved for. The envelope you get in the mail may promise a \$10,000 transfer limit at 3 percent interest, but if your credit score is low or your history is short, the specifics of your contract will vary. Always call the company and ask them to explain the specifics of the plan.

As mentioned before, make sure you're diligent and consistent with payments. Your special 3 percent rate could be hiked to 30 percent automatically if you miss even one payment.

Michael writes for Cardsense where you can compare lifetime balance transfer credit cards as well as read advice on deciding which credit card is best for your situation.