The above description of the implications of a delinquent credit card applies to most credit cards. But a few special types of cards create additional concerns when you are delinquent.

Some cards are specially marketed to people who have low credit scores or no credit history. Beware of these cards! They come loaded with high fees that can eat up to 25% of the credit line. In some case, you may even need to pay a fee to apply for the card. These cards usually do more harm than good for your credit score.

Stores selling electronics or furniture and even some medical providers advertise credit cards at zero percent interest. The interest rate, though, is only zero percent interest if you pay the whole balance by the time the promotional period ends. If not, you will suddenly retroactively owe all of the interest that would have accrued during the promotional period as if you were charged interest at a high rate, such as 25% or 30%, all along. That means that when the promotional period ends, all at once you will be hit with a huge interest charge if you have not paid off the balance.

Some credit cards are marketed as helping you reestablish credit, and are secured by a certain amount of funds in your bank account. You cannot withdraw that amount from the account and your card’s credit limit matches that amount. If you do not pay the card, the card issuer just seizes that amount from your bank account. These cards can be helpful in establishing credit, but only if you’re careful not to max out and to make the minimum payment every month.

Source: National Consumer Law Center, Surviving Debt [50th NCLC Anniversary Edition], updated at www.nclc.org/library

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