



TAMPA BAY BANKRUPTCY CENTER, P.A.

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## Credit Card Debts and Bankruptcy

I am sure you would have come across what I am about to write but I think it bears repeating. This has to do with credit card debt. Credit cards have become so much a part of our lives that we often take things for granted when it comes to credit card debt. When credit card debts are not handled correctly, it could stand in the way of your financial release through bankruptcy.

The problem with credit card debts is that it is often unfelt. Spending on credit can give you short-term instant gratification, lulling you towards complacency and wrong thinking. The wrong thinking is that you can merely pay the minimum required amount each month and you will have credit available indefinitely. How wrong! That is precisely what the credit card companies want you to think and do because they make more money out of you.

Sooner or later, the amount of your debt will snowball out of control and you are forced to file for bankruptcy by which time your debt would be so huge, it would take you forever to repay it even under bankruptcy. Wouldn't it be better to file for bankruptcy with a smaller amount of debt so that your bankruptcy can be as painless as possible? Of course it would.

So before you end up biting off more than you can chew, here are three things you ought to beware of so that you keep your credit card outstanding balance in check.

1. Ignore the reward system Most credit cards have a reward system that rewards you with gifts or points for using your card more. The best thing you can do for yourself would be to ignore these programs and just use your credit card for buying things that you really need and can afford.

2. Be wary of introductory offers Most credit card companies entice you to sign up for their cards in the first place with a special lower introductory rate. But after the introductory period is over, the interest rate increases dramatically. So if you do not need another card, just don't get one no matter how tempting the introductory offers are.

3. Keep your credit card accounts open For whichever credit cards you already have, do not close any of them. This may seem contradictory to keeping your debts low, but the rationale behind this is to improve your credit score. Your credit score is mainly based on your credit to debt ratio. If you have lots of unused credit and little debt, you have a better credit score than little credit and lots of debt. So as long as you maintain your credit card accounts and do not overspend, it will do your credit score lots of good in the long run.

If you wish to apply for bankruptcy, call us at (813) 200 4133 for a free consultation on your financial problems.