

How to Choose the Best Student Credit Cards

[Student credit cards](#) work exactly like regular credit cards, and because they're designed for students, they're easier to apply for with no credit history. However, this ease of application comes with a tradeoff in the form of extra fees and higher interest rates meant to offset the risk of giving credit to someone with no credit history. Sometimes, credit cards designed for students also come with unnecessary extra fees that credit card companies hope students will accept because they are too inexperienced to know these fees are not normal. Here's how to tell the good student credit cards from the bad ones.

* Check the interest rate. If the APR (Annual Percentage Rate, meaning the standard interest rate) is at or within a couple of points of the APR of a regular credit card, the offer is good. Avoid student credit cards with higher interest rates. Also avoid credit cards whose default rate is substantially higher than the default rate for a regular credit card. The default rate is what your interest rate will be set to if you make any of several mistakes, including paying a bill late. It can be ridiculously easy to make these mistakes, so choose a card with a default rate as low as possible.

* Is there an annual fee? There shouldn't be. Annual fees are a relic of the days when credit cards were rare and only the wealthy had them. Nowadays, no good credit card charges an annual fee. If you find an offer that's otherwise excellent but it has an annual fee, call the company and see whether they'll waive the fee. Most companies will. They assume that the only people who will let the fee stay on their contract are the inexperienced credit users, and the more savvy customers will ask them to waive the fee as part of the application process.

* There should be no monthly or weekly fee at all. Ever. These fees are a sign that the card was designed to gouge people whose credit rating is so poor that they can't get a card anywhere else. They should not appear on any legitimate student credit card agreement. If you see them, don't waste time asking the company to waive the fees. Throw the application away.

* Make sure it won't cost you to pay your bill by phone. Many credit card companies allow you to pay by phone either routinely, or as an emergency measure when you're about to miss a deadline. Paying a small fee for emergency payments is acceptable, if not optimal. Making a routine payment by phone shouldn't cost anything.

* Check online to see what other consumers say about the company. Do they have a history of jacking up interest rates without warning? How is their customer service? If the company's current customers have significant trouble with the company, don't assume you'll be different. Go to a different company.

Student credit cards can be an excellent foundation for your credit rating, but be choosy about which ones you sign up for. The right cards will put you on the path to a healthy financial future. The wrong cards will saddle you with hundreds of dollars in fees and thousands of dollars in extra interest payments. Do a little research before you choose student credit cards, and you'll know which card offers to choose. Try this [Student credit cards](#) - [Low interest credit cards](#) - [Credit cards for bad credit](#) -

About the Author

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