



RECENT NEWS

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Getting a Credit Card in Today's Economy:

Anyone who has watched the news in the past several months knows that the economy is tanking and the banks are taking a huge hit from this partly due to their own greed. Regardless of that fact, it is becoming harder and harder for people even with good credit to obtain lines of unsecured credit including credit cards, business loans, etc... What can you do to improve your chances?

In general, except for mortgages, people in the extremely upper echelons of the credit scores haven't noticed much of an effect. Whether its coming or not is something that only time will tell us. It is clear however that people with credit scores below 730 or even 740 are seeing credit lines reduced, and less offers in the mail for 0% credit card offers. These are people who are considered to have excellent credit, but still are seeing the effects of the banking crisis.

If you already have credit cards, or the credit that you need right now, just keep using it as you normally would. Any drastic changes in spending style will be flagged and your account may be reviewed sometimes causing reduction of credit lines or even closure of accounts. It is best to use about 25-35% of your limit on a monthly basis. If you only have one card and would like to keep it in case of emergency but don't usually spend money on it on a regular basis, I would definitely recommend charging a couple bucks a month and paying it off in full at the end. If your card has not been used for several months, the bank will see that, and likely will close your account regardless of how good your credit is (unless the card has a hefty annual fee, and your credit score is above 700 or 710).

If you are trying to get a credit card, and are having trouble at the major banks, try to go to a smaller local bank (especially if you have had an account there for a while). Smaller banks where the bank manager has more power make it easier for you to get a credit card. It is harder for the manager to tell you "no" in person than for some account specialist halfway across the country to tell you over the phone.

If your credit score is below 650, I would suggest waiting until it improves, and the economy gets better before trying to apply for several credit cards. Your chances for receiving decent terms are significantly lowered.

Be sure to read our release next Friday if the bank reduced your limit or raised your interest rate, and how to get them to increase it back up again.

This press release was written by Randy Point, Client Manager for Premier Members at Brien Private Finance LLC.

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