

Credit cards/students don't mix

by Daniel LaRonde

Does this sound familiar? You are a student at a college or university and you have credit cards. You got them with an application available just about anywhere and let me say this: They are easy to get, too easy.

It is even worse when you don't have a part time job to pay back what you use on your credit card. Even if you did have a part time job, your income is probably around \$300 a month, which the average student would squander foolishly on heat and food, and eventually you fall behind. This is a common situation with students anywhere.

I know from a first-hand experience how easy it is to use credit cards if you are short on cash, or just need a new pair of jeans. The money is there to use and pay back later, but sometimes you can't pay back the monthly payment and you hear from the collector's office after two months.

With the pressures of Under and Post graduate studies, the last thing a student needs is for some money collector to bark in you ear about when you plan to pay them, or if you can't, they even ask if you can get (borrow??) money from

your parents.

I admire the person who can control themselves as far as credit cards are concerned, and even moreso if they are financially stable enough to have and use them properly. But most students are not financially stable and I believe credit cards should not be so easy to obtain so that poorer students won't completely screw up their credit rating.

I had asked a Visa rep if there are many students in a poor position such as I, and she replied that there are a lot of students who are in dire straits with credit, which makes one wonder why credit cards are given to students. This is my opinion...

- 1) Interest rates are high (anywhere from 13 to 25% approx) and even if a student doesn't pay right away, the company still makes that interest anyway. (No loss for them, really)
- 2) Even if the company can't collect from you, they (sell??) the account for the account's worth to a financial collection company, and the financial company adds on their own interest.
- 3) If students are successful with credit, the students' rating will be raised and heralded as a customer.

Actually, no matter which way I look at this, credit companies don't lose money or profit, and I think credit cards should be much harder to get, and if you are having trouble with credit cards cut them and send them back. Always call them if you can't make a payment, that way they know your intention is to pay them back.

MasterCard phoned me and the person who handled my account was rude, pushy, and very personal about such a situation. I am behind in that account but ultimatums were thrown at me. They threatened my wages, job future and all future credit rating in an attempt to scare me into paying, but you can't squeeze blood from a stone, and you can't pay them if you don't have the money.

If I were asked to recommend any of the credit cards to anyone, I would say save yourself the trouble and don't bother. Actually, Visa has been very understanding to my situation and have always been open for alternative payment arrangements.

I expect to hear from those credit companies on this article (if they read it) and I will follow this story up at a later date. ●

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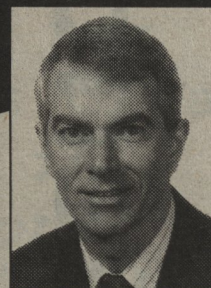
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