

Negotiating For Better Credit Card Terms

People with a poor credit standing have already seen for themselves just how hard it is to secure a credit card with good terms. Failure to pay credit card debt or even consistently making late payments, contributes to a poor credit history resulting and in you receiving a negative rating from the credit bureaus. No matter what your reason is for failing to make good on your credit card obligations, whether it is because of pure neglect or simply not having enough money, your resulting low credit score will make it harder for you to get a credit card. So what can you do to secure a credit card even if your credit standing is poor? The best way to do this is to improve your credit score. It is fairly common knowledge that people who have higher credit scores stand a better chance of being given credit cards with good terms than people who have less than ideal credit scores. A higher credit rating will also give you the added advantage of being eligible for lower mortgage and car loan interest payments.

Here are some of the ways by which you can improve your credit standing.

Correct mistakes in your credit report. Since a mistake on your credit report can result in a lower credit rating, it is important to check these reports thoroughly before you apply for a credit card. This should be done well in advance, since correcting a mistake can take anywhere from one to three months and possibly even longer. **Make payments on time** Most credit card companies will take a close look at your history of payment in order to determine your eligibility for a credit card with better terms. Even a single missed payment can cause your credit rating to decrease considerably. If you want to improve your credit rating, paying your bills promptly is a great way to do that. **Pay off the balance on your credit card** One other factor that will have an effect on your eligibility for a credit card with better terms is the amount of your balance compared to your credit limit. Keeping your balances below 25 percent of the limit is a good way to raise your credit score.

Keep your past accounts open. People have traditionally opted to close their old accounts that were unused. With the way credit ratings are currently calculated nowadays however, it would actually be better to keep them open as a way to increase your credit score. Closing old accounts will actually have a detrimental effect in that it will shorten the length of your credit history, thereby decreasing your available credit, as well as increase the ratio of your credit balance in relation to your credit score. Closing old accounts will also result in a only a slight lowering of your credit score, while retaining them may just improve your chances of getting a good credit card.

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