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Credit Cards After Bankruptcy

The good years were times of easy credit and a relaxed attitude to things like credit cards. Now economic times have changed and people are having to face some harsh economic realities, often finding that they have what has now become an unmanageable amount of debt, often due to irresponsible credit card spending.

Anyone coming out of bankruptcy would be fully justified in refusing to even carry a credit card again, and indeed, the offers that used to pour through the mailbox offering credit cards with high spending limits have long gone.

But is this a good idea? Sure, not having a credit card will stop them getting into credit card debt again, but this may not be the best attitude to adopt.

What some people sometimes do not pay attention to, is what life is like after bankruptcy. Getting any sort of credit is tough as one's credit rating goes through the floor.

Improving one's credit rating should be a priority after bankruptcy, and the key is to show that one can manage money successfully, including debt.

One thing one should consider before even filing for bankruptcy is chapter 13. Chapter 13 does not write your debt off like chapter 7 (making chapter 7 the most popular form of bankruptcy in the US), but it does not sell all your assets either. However, the main point about chapter 13 is that it is a repayment plan, and as one makes the repayments over a 3-5 year period, so one's credit rating improves.

Another option to repair a credit score is to get a secured credit card. Here, a card is issued against a sum of money one puts down as a deposit. That way one cannot overspend or be in a position where the balance on the card cannot be paid off. The advantage is however, that one's use of the card will improve one's credit score, as long as the balance is paid every month. Sure, there is no real advantage to the card holder who may as well just use cash, but the agencies have no check on cash spending, so although they may be living within their means and spending sensibly, this will have no effect on their credit score if they are using cash.

However, it is vital that one uses a card issuer who is registered with the credit agencies, otherwise all one's spending and repaying will go unnoticed and not improve one's credit rating.

Obtaining a credit card after bankruptcy is a real possibility, though it may not be the type one is used to. However, with little risk and the opportunity to repair a credit rating, they should not be written off.

In harsh economic times our finances can come back to haunt us, especially if we have borrowed too much in the good times. We may begin to consider [how to claim bankruptcy](#). For more free information visit www.howtoclaimbankruptcy.net. Also published at [Credit Cards After Bankruptcy](#).