

Late Credit Card Bills

Contributed by Administrator
Friday, 13 March 2009
Last Updated Friday, 13 March 2009

Late credit card payments are being recorded at record numbers by many credit card companies. So fast many credit card companies are cutting credit lines and even closing accounts. I do not blame them, the reality is that a large percentage of credit card holders with late credit card payments are going to default on their credit card balances. Credit card holders have been pushed for the last 10 years to apply for a new credit card, increase credit card limits, transfer credit card balances and take advantage of offers that were designed to put card holders in more debt. So I do not blame the card holders for this one, but all this extra available credit is a trap. Factors such as job loss and home foreclosure have put more financial pressure on consumers and they are now forced to use these credit card balances available just to live. Paying everything from other credit card bills, utilities and trips to the grocery store. The set up of high available balances and the plan to get you in more debt worked, but may back fire on credit card companies. Expected write offs from unpaid credit card balances is expected to create the "Next Foreclosure Crisis" or "Next Subprime Crisis". Credit card companies are reacting swiftly recent estimates that credit card default rates will be much more than anticipated. American Express was offering \$300 to card holders to cancel their cards and many credit card companies are cutting credit lines, without any notice to card holders.