

Speak to your creditors if you think your credit agreement is outdated

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Many consumers have spent years under a contract with their credit card issuer and it might be time to look into a “tune up.” If payments have been made on time for a long period and there have been no charges such as over-the-limit fees, the card issuer may be willing to either reduce the interest rate, increase the credit limit, or both.

To find out, begin by calling the card issuer and explaining that your record has been excellent, you believe that the interest rate is too high, the credit limit is too low, or both. Be professional and businesslike; don't expect sympathy or make threats. Very simply, the card issuer will likely want to keep you as a customer and realize that your request is worth considering. Also, if your situation has changed (a salary increase or reductions in overall debt for instance), be sure to use that info to support your request.

Never use hardship as an excuse. That may make the creditor think you are a higher risk and possibly end up doing the opposite of what you desire. Make it a business discussion and you may be able to improve your credit agreement significantly.