

Introduction to Credit Cards Terminology

Ever since Stacey Smith got her credit card, she has been trying to decode the alien credit card terms that the credit card companies use. Deciphering credit card terms is a task in itself! The credit card companies use fancy language, which we don't use in our everyday use. So much so that even filling the application form is a pain. What is needed is a good credit card glossary to enable mortals like us to understand credit card terms.

We have compiled a simple to understand credit card glossary. In simple words, it is card which can be used to obtain cash, goods or services up to a stipulated credit limit. The glossary covers some of the most commonly used credit card terms.

Lets begin with the most basic "account number". It refers to a unique number that is assigned to every credit card. Next in the credit card terms come "annual fees". Some of the credit card holders are charged annually for holding the card. This is known as annual fees. Another credit card term that would be used frequently is "APR". It is the rate at which card companies charge you every year for your account.

No credit card terms dictionary is complete without the term "balance transfer". It simply means moving your credit balance from one credit account to another. It helps in saving your interest payments. A credit card term that most people are afraid to come across in credit card terms is "bad credit". It means poor or bad credit rating. It can be caused by late payments, exceeding card limits etc.

In credit card terms, the next word would be, "cash advance". Cash advance means a loan taken through your credit card, using an ATM. Then in credit card glossary comes "credit report". It is a record of your credit history that is usually consulted by lenders in order to decide whether they should lend you money or not, and how much.

In credit card terms, you will also find the term "debit card". Debit card allows you to spend money on the balance available in your account - usually from a current or savings account.

Next in our list of credit card terms is "grace period". It is the time period between the transaction date and billing date when the payment can be made without incurring any interest rate.

If you are going through a money crunch then this credit card term is essential for you to understand "the minimum payment". Minimum payment is the smallest payment that you can pay to keep your account in good standing.

Another very important credit card term to understand is "PIN number". It is the security code that you need for authorization while making money transaction through your credit card.

Next credit card term is "pre approved". This means a customer who has already passed the initial credit bureau evaluation.

Here's hoping that you would now feel more confident about using your credit cards with at least the credit card terms making some sense to you!

About the Author

William King is the director of [UK Wholesale Suppliers & Drop Shipping Wholesalers Directory](#), [Australia Wholesalers](#), [Pakistan Real Estate & Pakistan Property](#) and [Dubai Property & Dubai Real Estate in UAE](#). He has 18 years of experience in the marketing and trading industries and has been helping retailers and startups with their product sourcing, promotion, marketing and supply chain requirements.

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