



Blog Post for Behm Law Group

311 Words

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The hopelessness of making minimum payments

There's a reason that the minimum payment on a credit card is so low, and it isn't that the big credit card companies care about you. The minimum payment on a credit card is designed to keep you in debt to them for years. Not only that, as you continue to pay the minimum payment, the credit card companies reap obscene profits from you as you struggle to make ends meet. Here are some examples of what making the minimum payment will do to you:

- If you owe \$1000 at 18% interest, it will take you 8 years to pay off your card. You will have paid \$863 in interest.
- If you owe \$1000 at 21% interest, it will take you 10 years to pay off your card. You will have paid \$1,398 in interest.
- If you owe \$3000 at 18% interest, it will take you 26 years to pay off your card. You will have paid \$6,863 in interest.
- If you owe \$3000 at 21% interest, it will take you 47 years to pay off your card. You will have paid \$15,398 in interest.

So, if you're in a position in which you can only make minimum payments, you will most likely never get out of debt. If you want to see how long it will take to pay off your credit cards, you can use the Credit Card Repayment Calculator at:

<http://www.federalreserve.gov/creditcardcalculator>

As you can see, the credit card companies have a powerful advantage over you. If you get stuck in their snare, you might never get out. However, bankruptcy laws were written to help people like you get out of the cycle of credit card debt. If you are in trouble, contact the Minnesota bankruptcy attorneys at Behm Law Firm. We will help you determine if bankruptcy is the best option for you.