

VISA® Secured Card FAQ

What is a VISA® Secured credit card?

A VISA® Secured credit card looks and is accepted like a traditional VISA® credit card. The difference: funds from a specifically designated share account at Carolina Trust Federal Credit Union are specifically pledged to secure your credit card limit, which differs from the general pledge associated with traditional Carolina Trust credit cards. In other words, the money you deposit is pledged toward your credit card, and the balance in your designated savings account earns dividends. Merchants, however, will not know the difference. You can use it anywhere VISA® is accepted for traveling, reservations, purchases, renting a vehicle – all at thousands of locations worldwide.

Is a VISA® Secured card similar to a prepaid card?

No. With a VISA® Secured card, a security deposit in a designated savings account (pledge), establishes your initial credit limit and shows your intent to make on-time, monthly payments toward your account balance. VISA® Secured is a true credit card in that you are responsible for paying down your balance with interest. Prepaid cards are not credit cards. They function more similarly to an ATM or debit card.

Who should apply for a VISA® Secured credit card?

Carolina Trust Federal Credit Union's VISA® Secured card is a great way to build or re-establish your credit history. If you've experienced past credit problems or have no credit history, then you know it can be difficult to obtain a major credit card. And the credit cards that may be available typically offer high interest rates, making them costly to use. Our VISA® Secured card is available to anyone age 18 or older whose income is sufficient to make payments toward a credit card balance, regardless of prior credit history.

How can I build or reestablish my credit history with a VISA® Secured card?

You can build a positive credit history by not exceeding your credit limit (the amount you pledged) and by paying at least the minimum amount due each month, on time. If you maintain an excellent payment history, you may eventually be eligible for a traditional Carolina Trust VISA® credit card*.

*Eligibility requires the member to have at least a 12-month period in good credit standing.

What will my credit limit be?

Your credit limit will be equal to or less than the amount you have on deposit in your designated savings account. The minimum required pledge amount is \$500 up to \$5,000. You may increase your credit limit, by depositing additional funds to your designated savings account and signing another security agreement.