



Credit Card Debt Next Crisis?

Jay S. Fleischman, Esq.

Yes, either that or vehicle debt, which have been handled like mortgage debt that brought the foreclosure and economic crises we are in. I mean packaged and sliced and diced and marketed into securitized trusts with derivatives and the whole nine yards.

Lowering your limit can be an [abusive credit card practice](#), say, if you owe \$5,000 on a \$10,000 limit card, and they drop the limit to \$5,000. Or \$4,000.

Credit card companies are cutting limits and closing accounts.

Predictions at the end of last year were for two trillion (hear that amount a lot lately, don't we?) dollars of [credit card lines to be cut](#) by the end of this year.

Whoah, Nellie! That estimate, as with the other estimates with "trillion" in them, will be low. \$500 billion was cut in the last quarter of 2008 alone.

So, don't take it personally if you get a notice that your card limit has been reduced.

What should you do?

Be prepared, do not be counting on that available credit line to get you through an emergency. It could disappear at any time.

Should you take cash advances now, before that happens?

I think not. "Neither a borrower nor a lender be."

OK, I have not always followed that advice, but it does not mean it is not good advice.

Especially do not borrow money that you do not know how you are going to repay.

Jay S. Fleischman is a [New York bankruptcy attorney](#) and Managing Partner of Shaev & Fleischman, LLP. Jay is also the author of [The Consumer's Guide To Bankruptcy: The Truth About Ending Your Bill Problems And Getting Back The Good Credit You Deserve](#).

