

What is a subprime credit card?



iStock

This content is created by AP Buyline in accordance with AP's editorial guidelines and supervised and edited by AP staff. Our evaluations and opinions are not influenced by our advertising relationships, but we may earn commissions from our partners' links in this content. Learn more about AP Buyline [here](#).



BY **DORI ZINN**

EDITED BY **ADAM CLEMENT** | **KATELYN PETERS** |

WILL KENTON

Updated September 3, 2024

Table Of Contents

What is a subprime credit card?

In a nutshell

What are subprime credit cards?

How does a subprime credit card

In a nutshell

A subprime credit score is a score below 619. (Deep subprime is 580 or lower.) Subprime credit cards are designed for people with subprime credit scores.

- A subprime or deep subprime credit score makes it hard to qualify for credit-building opportunities, including credit cards.
- Cards designed with subprime users in mind generally have lower credit limits and often require an up-front deposit.
- These cards are useful in situations where you are required to pay with a credit or debit card, and with careful use you can use them to build your credit score.

What are subprime credit cards?

Subprime credit cards are cards geared towards those with fair or bad credit. These borrowers may have late or missed payments on past loans or cards. They might have faced a lien on their home, a foreclosure, or may have filed for bankruptcy.

Subprime credit cards are available from both major financial institutions and smaller online lenders. They usually don't come with as many perks or benefits as credit cards for those with prime (or super-prime) credit scores. That's because the lender is taking on more of a risk by lending to borrowers with subprime credit.

work?

Three noteworthy subprime credit cards

When should you get a subprime credit card

How to improve a subprime credit score

The AP Buyline roundup: Move from subprime to primetime

Related Articles

Best credit cards of December 2024: Our top picks in every category
by Lee Huffman

Best credit cards for international travel in December 2024
by Holly Johnson

American Express Membership Rewards guide
by Holly Johnson

American Express Gold Card review 2024
by Jess Ullrich

How does a subprime credit card work?

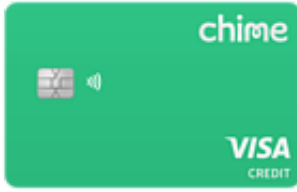
Like regular credit cards, you'll need to apply for a subprime credit card through the card issuer. Some issuers may have some credit score requirements, although many that offer these types of cards either don't have any requirements, or they are specifically geared towards borrowers with bad credit.

Once you get approved for a subprime credit card, you'll complete your registration, sign in to your account, and view your details. You'll see your credit limit, your APR, and when your monthly payments are due. Then you can use the card as needed, up to your limit.

Three noteworthy subprime credit cards

Like traditional credit cards, not all cards are managed or created equally. You might find some traditional credit cards just for subprime borrowers. There are also secured credit cards, which require an upfront deposit. (This deposit acts as your credit limit.) Here are three credit cards to explore if you have subprime credit.

Secured Chime Credit Builder Visa® Credit Card



CHIME CREDIT BUILDER VISA® CREDIT CARD

Annual fee \$0

Interest fees

[VIEW OFFER](#)

Credit score: Average/Fair, Poor, or None/Limited credit history

it
s
c
o
r
e
n
e
d
e
d

Chime doesn't trigger a hard credit inquiry, so you can apply for this card without having any sort of credit history. There's no annual fee or interest charges. All you need to qualify is a Chime checking account that accepts direct deposits of at least \$200. This card reports to all three of the major [credit bureaus](#): Experian, Equifax, and Transunion.

Capital One Platinum Secured Credit

Card



[LEARN MORE](#)

CAPITAL ONE PLATINUM SECURED CREDIT CARD

Ann **\$0**
ual
fees

Cred **Limited,**
it **Bad**
scor
e
need
ed

This card gives you some of the lowest minimum deposit requirements among secured credit cards: \$49, \$99, or \$200. With responsible credit use, you could get a traditional credit card in as little as six months of using this card.

There's no annual fee, but if you don't pay off your balance every month, you could face a purchase APR of more than 29.99% (Variable). This is on the higher end of APRs between the cards we evaluated.

OpenSky® Plus Secured Visa® Credit Card



**OPENSKY®
PLUS SECURED
VISA® CREDIT
CARD**

[VIEW OFFER](#)

Ann **\$0**
ual
fees

There's no annual fee or credit check for this card. In six months, you could see a credit line increase or even move up to a traditional unsecured credit card. There's a \$300 minimum deposit and a 29.99% (Variable) APR rate if you carry a balance from month-to-month.

Applied Bank Secured Visa® Gold Preferred® Card



APPLIED BANK SECURED VISA® GOLD PREFERRED® CARD

**VIEW
OFFER**

Annual fees **\$48**

C Poor/Fair/Limited/Damaged

r
e
d
it
s
c
o
r
e
n
e
e
d
e
d

Secured credit cards tend to have higher interest rates than other credit cards, but this one caps the APR at 9.99% (Fixed). There's no credit check when you apply, and there's a \$200 minimum deposit requirement (which is also your credit limit). You could hit a \$5,000 limit with extra deposits after approval.

When should you get a subprime credit card

You should get a subprime credit card if:

- You have less-than-stellar credit and you otherwise don't qualify for a regular credit card.
- You have the funds to pay the minimum balance or the full amount on your card each month.
- You want to start improving your credit score but don't qualify (or need) other lending products, such as loans.
- You want to take out loans in the future but need to start improving your credit score now.

You should skip a subprime credit card if:

- You don't have the funds to pay off your card every month.
- You qualify for better credit card deals with a regular credit card.
- You have the option to be an authorized user on someone else's credit card.

How to improve a subprime credit score

Having subprime credit can hold you back from borrowing in the future, whether that's a car loan or a mortgage. There are a few ways you can build your subprime credit score to be prime or even super prime.

- **Pay on time:** To stay in good standing, you'll need to make at least the minimum payment

on your card every month.

- **Avoid high credit utilization:** If you want to avoid interest charges, try to pay off your card in full by the end of the pay period. The higher your usage carries over from month-to-month, the lower your credit score goes. Paying off your card in full every month (or as much as you can) will give your score a boost.
- **Find ways to show off your good usage:** After a few months of on-time payments, your score should go up. You can also use programs, like Experian Boost, that allow you to add utility bills, rent, and subscription services to your credit score. The more you can show off how responsible you are with credit, the higher your score will climb.

The AP Buyline roundup: Move from subprime to primetime

Having a subprime credit score is sub-optimal, but you can still get a credit card for essentials like paying bills with a subprime credit card.

These cards won't have a high credit limit or many of the perks premium cards have, but you can use a subprime card to build credit, and with careful use before you know it you may be able to move up to the top tier.

AP Buyline has partnered with CardRatings for our coverage of credit card products. AP Buyline and CardRatings may receive a commission from card issuers.

This content is created by AP Buyline in accordance with AP's editorial guidelines and supervised and edited by AP

staff. Our evaluations and opinions are not influenced by our advertising relationships, but we may earn commissions from our partners' links in this content. Learn more about AP Buyline [here](#).

The Associated Press is an independent global news organization dedicated to factual reporting. Founded in 1846, AP today remains the most trusted source of fast, accurate, unbiased news in all formats and the essential provider of the technology and services vital to the news business. More than half the world's population sees AP journalism every day.

THE ASSOCIATED PRESS

AP.ORG

CAREERS

ADVERTISE WITH US

CONTACT US

ACCESSIBILITY STATEMENT

TERMS OF USE

PRIVACY POLICY

DO NOT SELL OR SHARE MY PERSONAL INFORMATION

LIMIT USE AND DISCLOSURE OF SENSITIVE PERSONAL INFORMATION

MORE FROM AP NEWS

ABOUT

AP NEWS VALUES AND PRINCIPLES

AP'S ROLE IN ELECTIONS

AP LEADS

AP DEFINITIVE SOURCE BLOG

AP IMAGES SPOTLIGHT BLOG

AP STYLEBOOK