

How To Consolidate Your Debt If You Are A Homeowner With Bad Credit

You no longer have to worry about debt consolidation if you are a homeowner with bad credit. There are a few options you can have without having to worry about your bad credit. It may take a little extra work to find who you will get the loans from, but there are choices for consolidating your debt.

The main option that a majority of bad credit homeowners go with to consolidate their debt is a mortgage loan. This is not only the most popular route, but also about the cheapest option you will find. The great thing about a mortgage loan is the interest rates charged are the lowest you will find and the loan can become as high as the price of the property.

If that weren't enough, debt consolidation through a mortgage loan allows you to repay the loan over a long period of time. In most cases you have thirty plus years to pay back the loan and can pay it back as slow as you want. However, mortgage loans are not the best option for everyone. You may want to consider other loan types if you already have a mortgage loan or if you are unwilling to use your home as collateral.

Unsecured consolidation loans are the best kind of debt consolidation for homeowners unwilling to use their home as collateral. The downside to this kind of loan is that it is much more difficult to get approved. Also, the interest rates are much higher than secured loans since there is no collateral.

Home equity loans are very common for consolidating your debt if you have bad credit. The interest rates are low like a mortgage loan since it is a secured loan, which is wise if you are a homeowner. This type of loan is a little more expensive than mortgage loans, but still far cheaper than any other kind of loan.

The last type of loan you may want to consider for debt consolidation is a refinance home loan. There is a kind of refinance home loan called Cash Out Refinance Loans that can supply you with more money than needed to pay off your outstanding mortgage. This will allow you to pay off other debts you may have with the remaining money. This may seem risky and just more money that you will have to pay back, but it will in fact leave you with one loan to repay with lower installments.

If you are a homeowner with bad credit, you can see that there are multiple debt consolidation solutions available to you. There are options for people who want to have a secured loan and an option for those who are not willing to put their house up for collateral. However you wish to consolidate your debt, it is vital that you do your research and find what is best for your circumstances since you have options.

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About the Author

A contributing author, Craig Thornburrow is an acknowledged expert in his field. You can get more free advice on debt consolidation loans at <http://www.debtexplorer.com>