

Credit And Debt, Tips and Tricks

Ah, Credit! Credit is a very helpful and valuable tool. Although more often than not, credit card debt ensues. It just gets out of hand and becomes more of a burden than a help. Credit cards are often abused because it gives you access to a huge amount of money. But with all the bad things credit cards can do credit is definitely there in a crunch and this is why you want to protect your credit score.

If you are like most people, you may have trouble fighting the temptation of not spending the money for frivolous items. Credit gives us the ability to buy and to buy big. It just stinks that in that moment we never take into account that it ISN'T FREE MONEY! We must pay it back with ever increasing interest. So if you have found yourself in a bind with overwhelming credit card debt, I will show you some great tips on how to get out of the insurmountable debt.

You may or may not know, many people who accumulate huge amounts of credit card debt, only pay the minimum, and never make payments to the principle. These unfortunates will be paying for the next 30 years of their life and pay an ever increasing amount of interest above and beyond their original debt. Many of these people know this as fact, yet they seem to get stuck in the telling themselves that "I can't possibly get out of this credit card debt and I don't want my credit to get worse so I will just keep creditors at bay by paying the minimum payments." This is the wrong attitude and detrimental to your credit.

Now if you are wealthy enough and own a home AND have equity in the house you probably can just get a home equity loan and consolidate your credit card debt and be done with the whole dilemma. But if you are Not wealthy enough and Don't own a Home or Don't have any or very little equity in your home then you may need some help. And that is why you may be reading this article.

First things first. Look at your bill, find out what is the amount of interest you are paying. Second, if you have incurred any late fees or finance charges. Third and last what is your monthly payment. Since we have gathered this information we can at least start at the beginning. We now realize that with all of these things we will never pay off the debt with just minimum payments. We must be smart about our debt. What can we possibly do? First, if you are paying an interest rate of anything above, I'll say 12 of the debt you may be able to *settle(*paying of the debt once and for all) with the creditor. The difference of 40% will be eaten by the credit card company. (**Note this will definitely effect credit scores but less than not paying the debt.)

Now, if you are in deep concern over your credit score, DON'T BE! You are doing the best thing for your credit by using these tips. This is because if you have too large outstanding debt then your credit score is affected. Also if you've been missing payments anyway, you already know that your credit score is damaged. By using these tips you are taking a step towards rebuilding instead of destroying.

By the way you can always rebuild credit. Here are some ways to do that. One great way to build better credit is by paying all your bills on time. i.e. Rent, phone, electric, other credit cards etc..... A secured credit card is another way to start getting better credit. They are expensive but if you have really messed up your credit they usually will take on faulty credit. They do this for an annual fee and/or monthly fee. You will need to "load" the card which is basically just giving the money you are allowed to borrow against to the card hence the name secured credit card.

I hope this was informative at the least. I also hope this opened your eyes to your own control and abilities. Just know you will make that debt disappear it will take you some time so don't fret just weather the course and you will come out on top.

Ors Veress is an Author about a variety of subjects. He mainly writes about investments and ways to invest your money but has an interest in politics. You can visit his credit card help and search site

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About the Author

Ors Veress is a private investor that writes articles on various topics and has a few websites on investing and credit as well as a retail outfit. Visit his site for credit resources and credit cards at <http://www.freecardapplicationonline.com>