

Debt Consolidation Ideas and Debt Management Ideas

Every month there are tons of bills that come in. There are utilities, car loans, student loans, health insurance, mortgage or rent, cell phone, cable, gas and groceries to be paid. And by the time you get done with those, the next round is due. No doubt you've probably wished that there was an easier way to do all this. There is; it's called debt consolidation. By consolidating your debts you will end up with fewer payments to write out each month and save yourself money and time.

You can consolidate by using credit cards. The goal is to take all of the credit cards that are currently in your possession, and try and find the lowest interest rate between all of them. After you find the lowest issuer, try to transfer all of the balances over to one credit card. You will have one large balance, instead of ten semi-large ones, and you will also only have one payment to make a month. You can also apply for a new card and make a transfer so that you only have two cards, with obviously two payoffs. However, be careful when applying for new cards. Too much credit can equal a lower rating for your credit score.

Another method you can use is a home equity loan. With this kind of loan you can borrow against the value of your home with a fixed amount of money for a standard period of time. Usually these loans will offer lower rates, lower payments, and their amounts can be tax deductible if you itemize. You may also choose to refinance your home and take out money in order to pay for some of your bills. There is also another type of loan called a personal security loan. This loan can be tricky because the only thing that you are offering for a guarantee is yourself. These loans are more risky so it is likely that the loan will be more expensive, and you will be repaying on that loan for an average of 10 to 15 years. The personal loans can be harder to get if you have a substantial amount of debt.

You may seek counseling for your debt, but a credit counselor is not going to consolidate your debt, rather they will work out a feasible payment schedule for you to follow. You will make one payment to the credit agency and they will turn around and pay your bills. However, most do not offer this service for free, so make sure that you are unable to get your act together before enlisting the help of a professional.

Many people today are choosing to enlist the help of a debt settlement company. For this option you stop paying your bills and the creditors contact your debt settlement company instead of you. The debt settlement people will negotiate with the creditors to reduce the amount of your balance, sometimes up to as much as 50%. In cases such as this, quite a few people can find themselves debt free within two years.

Debt can consume an individual and it can seem to pile up all around without any light at the end of the tunnel. Investigate some of the more common solutions, and possibly talking to others who may be able to offer comparative advice. You may be surprised to learn how many people are in similar situations when it comes to debt.

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About the Author

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