

Title:

Debt Consolidation or Bankruptcy

Word Count:

400

Summary:

Over the last decade Americans have accumulated excessive amounts of debt. Partially fueled by low interest rates and increased equity on houses due to real estate markets driving prices high up.

Keywords:

debt consolidation, credit, credit repair

Article Body:

Over the last decade Americans have accumulated excessive amounts of debt. Partially fueled by low interest rates and increased equity on houses due to real estate markets driving prices high up. Excessive spending and no financial responsibility often lead to bankruptcy of consumers. Now with the new bankruptcy law in place filing for bankruptcy has become much more difficult and much more expensive.

More and more people have now to look out for different alternatives. Debt consolidation programs can help consumer to get rid of the burden of excessive debt and may reduce a consumers monthly costs by hundreds of dollars each month. Debt consolidation experts can help consumers to assess their individual situation and make recommendations for how to approach the situation.

With the assistance of a debt consolidation professional, a consumer can work out a customized debt consolidation plan Depending on the severity of the situation the debt consolidation professional will contact the credit card companies of the consumer to negotiate a way out of the existing situation.

Debt consolidation is easy to get started. All it takes is a simple phone call or online inquiry. A consumer should research which companies have a good reputation as there are quite a few debt consolidation businesses out there that charge a lot of money and do not provide valuable service. They actually make things worse. A consumer also needs to be honest about the situation and willing to work with creditors. Hiding things will not help getting a consumer back on track.

While filing for bankruptcy might sound like the easier way out, this is not

necessarily true. The damage to the credit score and the credit report is worse compared to working the way out of a big pile of debt. In the long run it also does not help. A change of how people think about these things has to be made. Filing for bankruptcy is pretty much somebody else paying for your debt. Credit Card companies and banks will move these losses over into charges and everyone will have to pay more to cover bankruptcy losses. The consumer also does not learn how to work with a budget and often bankruptcy filings are done twice or more by the same people. By biting the bullet and paying off debt a learning process is established that will help to gain more financial freedom in the long run.