

Title:

Debt Consolidation Tips: An "All in one" Guide!

Word Count:

699

Summary:

Debt Consolidation loans merge all your debts and bills into a single payment. This means, that if you have several monthly payments or a number of different loans, you can make things easier by consolidating them and taking one single loan to pay off the total debt. Debt Consolidation loans reduce your monthly payments by lowering the interest rate or extending the repayment period or sometimes both. Debt Consolidation Loans are ideally offered to those who are unable to manage their monthly payments. They are a good option for you to reduce your debts and gradually move to a debt free life.

Keywords:

Adverse Credit debt consolidation, UK Debt consolidation Help, Fix Your debt Repayment, Debt consolidation tips

Article Body:

A Debt consolidation loan is a loan used to repay several other loans or other debts. A Debt Consolidation Loan is a low cost loan secured on collateral in the form of any securable property, your home, your vehicle or any valuable asset. Debt consolidation loans consolidate all debts incurred through personal loans, credit cards, overdrafts, or any number of unpaid bills that have built up over time. These loans can give you a fresh start, allowing you to consolidate all of your loans into one - giving you one easy to manage payment, and in most cases, at a lower rate of interest. A debt consolidation loan can reduce both your interest costs and your monthly repayments, putting you back in control of your life.

Debt consolidation solutions are practical means for eliminating credit card and other high interest debts, and getting your financial health and future back on track. Being concerned about debt 24 x 7 is extremely stressful, both on you and your family. So take a few minutes right now and educate yourself about your options.

1. Go with a Debt Consolidation company that has a good reputation.

Don't assume that every non-profit company is necessarily going to look out for your interests more than for a profit. Shopping around will give you the means

to decide on the one that best suits your circumstances and your budget. Spend time researching different lenders and get quotes from a handful before deciding on one.

2. Do the math yourself.

Take the time to work through the expenses yourself and see how much you will be paying, how long it will take to pay off the loan, etc. Look for hidden costs, creditor charges, etc. Many lenders add payment protection insurance to their loans without the borrowers' knowledge, which is often more expensive than those available elsewhere. People keen to consolidate their debts, take the first opportunity available, unaware of lower rates and other available options.

3. Is it cost effective in the long run?

Paying off an existing debt may incur charges for early settlement and there may also be a fee for arranging your consolidation loan. A debt consolidation loan should be cheaper than the individual loans and debts since that's its purpose. Otherwise how is it different from any other secured loan? Also, by taking a new debt consolidation loan, you will be extending the period in which you are paying off debts - and that might mean a greater interest cost in the long run. So read the fine print on your credit agreement statement before signing it.

5. Interest rates:

Make sure you understand the difference between variable and fixed rate loans. If you sign up for a variable rate loan, you may get a lower rate initially, but within a few years it may go up. On the contrary, a fixed rate option does not fluctuate with any changes in rates. However, you do not gain when the interest drops either.

6. Debt Consolidation counselling:

Debt consolidation with debt counselling can provide you with expert debt advice for financial planning. This would help you sort out your present debts as well as prevent you from getting into future debt. Debt counselling services can talk to your creditors about reducing your interest rate, eliminating late fees, altering repayment options and extending your loan term. Look up an agency that is the member of the National Foundation for Credit Counselling (NFCC) or the Association of Independent Consumer Credit Counselling Agencies (AICCCA).

Secured on your collateral low interest debt consolidation loans can sweep away the pile of repayments to your credit and store cards, loans and replace them with one, low cost, monthly payment - one calculated to be well within your means. Never take a loan that is over the top, take something that suits your needs.

It has been found that a significant number of residents are not aware of the

benefits of the debt consolidation options and are suspicious about how it works. There is a need to increase the awareness of the debt consolidation solutions and evolve new varieties and features for debt consolidation loans. There is a great potential to increase the benefits of debt consolidation loans.