

Title:

Who To Go To For Debt Advice?

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Summary:

Personal debt is not only a very common problem in Western countries; it is a very difficult problem to prevent, or overcome, at an individual level. It is, indeed, very personal. For that reason, many people may want to keep quiet about it, and maybe not even tell close family that there is, or is about to be, a money problem. They would probably benefit from some help, but who do they go to for debt advice?

Prior to actually receiving debt advice, most people will go thr...

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Article Body:

Personal debt is not only a very common problem in Western countries; it is a very difficult problem to prevent, or overcome, at an individual level. It is, indeed, very personal. For that reason, many people may want to keep quiet about it, and maybe not even tell close family that there is, or is about to be, a money problem. They would probably benefit from some help, but who do they go to for debt advice?

Prior to actually receiving debt advice, most people will go through three phases: Firstly, acceptance that there is a debt problem; Secondly, deciding whether to seek advice from a third party about the problem; and Thirdly finding out where to get advice and then seeking it.

Acceptance of a Debt Problem

Personal debt is something that many people may not even be aware of as a problem, even when it is. They may be in a revolving debt situation, whereby they keep borrowing more to make repayments on existing loans and credit card debts. As each facility reaches its maximum, they may seek another credit card, to add another creditor to their revolving debt cycle. Eventually, the debt roundabout stops, and creditors come after their money. If acceptance of the

problem has not be there before, suddenly a person may be forced into acceptance.

Deciding Whether to Seek Debt Advice

Once the debt problem is accepted, or acknowledged, by an individual, they then have to decide if they need to seek advice.

Some people may be aware that they have a problem, and for a variety of reasons, may think that they can get by without any outside advice. They may think they do not need help as they can sort the problem out themselves. It is also quite common for some people to be too ashamed and embarrassed to admit that they have a debt problem, especially if they live in a country where being in debt has a social stigma attached to it, such as the UK. Others may just think that getting debt advice is either too expensive, or that they will be conned out of their money, or both.

Eventually, though, the weight of the debt burden forces most people to consider seeking advice on their debt situation. The pressures from creditors may become so overwhelming that even the most reluctant may seek some sort of expert debt advice or counseling.

Who Can Provide Debt Advice?

The next stage can be as difficult for many people as the earlier two: finding somebody appropriate, trustworthy and knowledgeable, who can be relied on to provide sound financial advice in a way that benefits you, and will help you extricate yourself from the burden of debt.

As with any problem, it is best to share with those close to you; indeed, with debt, they may well be affected anyway, so they should know. While you have been quietly suffering with debt worries and keeping it to yourself, your spouse or close friend may know somebody who can give free and useful advice, as well as share the emotional burden.

Should there be nobody in your close circle who is able to give you useful advice, which is normally the case, then you need to consider your local options.

The local options for debt counseling and advice will depend on where you live. The local laws may vary greatly, and it is important that you consult somebody who is aware of current regulations on consumer debt, and the treatment of debtors by creditors. That way, you may have your worries eased about your

creditors coming to your house, and taking your possessions as a way of recovering their money. You will be aware of any legal protection you may have in your country or state, and act accordingly to protect yourself.

For those who live in the UK, there is a free option for debt advice: the Citizen's Advice Bureau (CAB). The CAB have specially trained people who concentrate mainly on consumer credit counseling work. They will provide the advice you need on your rights, help you assess the debts, and then write to your creditors on your behalf. Having an advisor who will contact your creditors, and deal with them on your behalf, can reduce the personal pressure enormously.

In other countries, options will vary. What can discourage many from seeking advice about their debt problem is a fear that they will be cheated by an unscrupulous counsellor. Debt is an industry that, unfortunately, does attract some who prey on the unfortunate. They may lure customers with claims of being able to clear a bad credit record, when in fact it is not possible to do so. They may tempt people in bad debt with consolidation loans, demand a high up front payment, and then get a high commission on the loan as well.

Such sharks are quite easy to avoid if you shop around for the best counselling services at a reasonable cost. The following tips may help wherever you live:

1. Check with local and central government agencies to see if there are any free debt advice services. If not, ask if there is a licensing system for legitimate advisors, and stick to those.
2. Be wary of outrageous claims to clear your debt, and requests for large upfront payments.
3. If you decide a consolidation loan may help, shop around carefully, and select the lowest interest rate option, with no upfront charges.

Once you have found an advisor, be sure to take their advice, and co-operate in every way you can to allow them to improve your debt situation. It will be worthwhile in the long run.