

Title:

Debt Consolidation Lending - Understanding Your Lending Options

Word Count:

392

Summary:

Consolidating your debts into one easy to manage loan helps you save money while paying off your debt. With a low interest loan, it is possible to cut your repayment schedule by years, just by paying the same amount you are now. There are several lending options when consolidating debt. So whether or not you own property, you can trade in your high interest accounts for a low rate loan.

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Article Body:

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Using Your Home's Equity For Collateral

For the best rates, tap into your home's equity. You have several options for using your equity. One choice is to refinance your entire mortgage and cash out a portion of your equity as well. This will save you money on application fees if you have already been thinking about refinance your mortgage. You will also get lower rates on your cash out.

The other choice is to apply for a second mortgage or line of credit. Both of these allow you to keep your original low rate mortgage while accessing your equity. Application and miscellaneous fees are relatively small. And rates are near conventional levels.

Getting Help With A Personal Loan

For those without property to act as collateral, you can choose a personal loan to reduce your rates. Even with a personal loan, you can cut your credit card rates nearly in half.

Personal loans are based on your credit history and income. The better your credit score, the better rates you can get. With a large income or assets, you can also qualify for good rates. But even with poor credit, you can still lower your rates with a personal loan.

Opening Up A New Credit Card Account

If you only have a few thousand to consolidate, then consider opening a new credit card account that has a 0% on transfers or a low rate. With these introductory offers, you can begin to trim your principal.

It's important though that you close old accounts so that you don't further hurt your credit score. Too many open accounts, even unused, will reduce the future amount of credit you can qualify for. It also keeps you from adding to your debt load.

No matter which option you choose to consolidate your bills, take some time to investigate lenders. Make sure that you are getting the best deal available, saving you more money.