

**Title:**

Consolidate A Credit Card To Reduce Your Debt

**Word Count:**

650

**Summary:**

Strange though it may sound a credit card can be a useful tool in controlling debt. The properly chosen credit card can, in fact, be used to consolidate debt. There are several features to look for though if you plan to use a credit card in this manner. As is always the case before you scrutinize any credit card option, you should first have a clear understanding of your credit situation.

Whenever you are approaching a decision about your credit it is of primary importance...

**Keywords:**

consolidate credit card, credit card debt, credit cards, consolidate credit card debt, credit card

**Article Body:**

Strange though it may sound a credit card can be a useful tool in controlling debt. The properly chosen credit card can, in fact, be used to consolidate debt. There are several features to look for though if you plan to use a credit card in this manner. As is always the case before you scrutinize any credit card option, you should first have a clear understanding of your credit situation.

Whenever you are approaching a decision about your credit it is of primary importance to pull your credit report. The government has mandated that all individuals be allowed an annual free credit report. When accessing this report make sure that you have gone to a truly free credit report site. Some companies lure people into their sites by advertising a free credit report and then ask for credit card information. Free credit reports are available from such sites but if you have supplied them with credit card information you may find that your card will be billed thirty days later for a credit report update. The charges will continue ever thirty days or so after the initial billing until you have cancelled the service. The best idea is not to give out any billing information in order to receive your free report.

Get a report from each of the three credit reporting agencies (Experian, Trans Union and Equifax). When you ask for your report the site will also offer to

send a credit score (FICO score) for a small additional fee; knowing your FICO is also beneficial and generally worth the nominal cost. Again, read the fine print and be careful not to set up any ongoing transactions.

After receiving the three reports analyze them carefully. You are unique but your name may not be. Make sure all the credit card bills are actually yours. Also check to make sure your social security number is listed correctly. Social security numbers are keyed in by hand and thus subject to error. One digit misplaced can give you someone else's derogatory credit. Report any errors to the agencies. Make the report to all three agencies as they do not share information.

Now you have a list of all the revolving credit card debt that you owe, the balances and contact information. This is the money owed that may be ripe to consolidate on one credit card. Contact the creditors and find out what the current interest rate is on each card and if there are any programs which would allow you to reduce that rate. Let the companies know you are actively shopping for alternatives to your current rates. Customers in good standing with their credit card companies, customers with high FICO scores and customers who regularly charge and make their payments are valued by credit card companies. It may be that you will be offered incentives to retain their cards. Also, inquire about any balance transfer opportunities or other programs such as frequent flier miles.

Now you are going to design your own program to consolidate credit card debt. Compile a list of all the companies with columns comparing the like features: Interest rates, penalties, incentives, credit limits. When choosing which company to use to consolidate your credit cards, look at all the features not just the interest rates. Narrow down the options to two or three cards. Speak with company representatives. It may be possible to negotiate even better terms.

Once you have chosen an institution with which to consolidate credit card debt, follow through and transfer as many of your outstanding balances as possible to that one card. Adjust your credit card behavior and be disciplined about your use of credit. Cut up all the other cards. You may even wish to close all accounts other than one for emergencies. Don't carry the two remaining cards in your wallet. Remember, charge cards are nice as long as you, not the card, are in charge.