

Title:

3 Simples Ways To Avoid Bankruptcy

Word Count:

509

Summary:

In this debt-ridden society, many people are in severe financial difficulties. While bankruptcy is the last step in a long road of financial pressures for many, others opt for this solution too early, sometimes without considering suitable bankruptcy alternatives.

Keywords:

avoid bankruptcy,debt consolidation,bankruptcy,debt consolidation loan,unsecured debt

Article Body:

In this debt-ridden society, many people are in severe financial difficulties. While bankruptcy is the last step in a long road of financial pressures for many, others opt for this solution too early, sometimes without considering suitable bankruptcy alternatives.

There are several options available for you if you are in debt and do not wish to declare bankruptcy. The most sought-after option is obtaining a debt-consolidation loan and closing all existing credit lines.

Debt consolidation is where you take a new unsecured loan and use the funds to pay off your outstanding debts.

An unsecured debt consolidation loan will help you consolidate all your unsecured debt and avoid bankruptcy. This new money can save you hundreds of dollars per month if you choose to use your loan to pay off existing debt - especially high rate credit cards. Even if you don't own a home, you could qualify for their debt consolidation loan.

Debt consolidation loans are repayable over a longer term at a relatively low interest rate. This means that the monthly repayments are lower. If the loan is secured on your property then the interest rate and payments may be even lower.

But you must compare the pros and of debt consolidation loans before taking the plunge. There are two options for consolidating debts - either you borrow money to pay off all your debts or seek assistance from a debt consolidation service.

The decision on which option will meet your needs has a lot to do with whether you can qualify for qualify for low mortgage rates on debt consolidation loans , and the total amount of debt you need to consolidate.

Borrowing for debt consolidation immediately eliminates multiple debt payments. All debt collection actions eliminated. Most importantly, it won't impact your credit rating; infact it may help improve your credit rating. Seeking debt consolidation services immediately decreases your monthly payments. It also brings to a stop, and in some cases, eliminates some interest and fees.

By getting this loan and using it to pay off credit cards, you'll pay much less interest. Once you've paid off your credit cards or other debt, you'll have a fresh start with your finances and can set up a budget within which you can live comfortably without ever having to run up credit card debt again.

Debt consolidation is an excellent tool that can help you manage and decrease your debt when you just can't seem to do it on your own. There is no way that you can completely fix bad credit without the ability to reduce debt and pay your bills on time. However, once your debt has reached a certain level, this can seem almost impossible to accomplish.

A credit counsellor can provide you with the option of enrolling in a debt management plan, which provides immediate relief and allows repayment of debts without the high fees and negative ramifications of bankruptcy.

However, your choice has to be based upon your financial situation, as well as fit in with your own belief system and lifestyle.