

Title:

Best Way To Eliminate Credit Card Debt - 3 Tactics For Lowering Bills

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396

Summary:

Eliminating credit card debt is a top concern among millions of consumers. However, many people fail to outline a realistic strategy for reducing debts. There are many approaches that will put you on the path toward becoming debt free. Each person must assess his or her own situation and create a plan. Here are three tips to help you become debt free within a few years.

Recognize the Problem and Alter Spending Habits

Before you can take the necessary steps to reduce and...

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Article Body:

Eliminating credit card debt is a top concern among millions of consumers. However, many people fail to outline a realistic strategy for reducing debts. There are many approaches that will put you on the path toward becoming debt free. Each person must assess his or her own situation and create a plan. Here are three tips to help you become debt free within a few years.

Recognize the Problem and Alter Spending Habits

Before you can take the necessary steps to reduce and eliminate credit card debt, you must first acknowledge excessive spending and resolve to change your lifestyle. Unfortunately, many people choose to live beyond their means. Furthermore, many acquire excessive debts because of trying to "keep up with the joneses."

Credit cards serve a valuable purpose. They are great during emergencies and when you are financially strapped. However, if you are charging more than you can afford to pay, this creates a huge problem. As you endeavor to eliminate debts, be determined to stop using credit cards. Do not cancel credit accounts. However, you may consider cutting your cards or storing them away.

Pay Double, or Triple the Minimum Payment

If you are hoping to reduce credit card debts, you must be willing to pay more than the asking minimum payment. In fact, paying only the minimum will make it practically impossible to become debt free. Instead, attempt to double, even triple your monthly payments. If possible, make a large payment toward reducing your balance. This method is most effective.

Obtaining a lump sum of money is challenging. You may choose to use a tax return or bonus money received from work. Getting a part-time job may also provide you with the extra cash. If you own a home, take advantage of your home's equity. Home equity loans or cash-out refinancing generally present homeowners with enough cash to payoff high interest credit cards and other debts.

Use a Debt Management Company

If you need assistance with managing large debts, think about contacting a debt management agency. Trained debt management specialists will review your credit and outline a plan for reducing debts. Furthermore, the company will contact creditors and negotiate a lower interest rate. By doing so, a larger portion of your monthly payments will go toward knocking down the principle balance. Thus, helping you achieve your ultimate goal of eliminating credit card debt.