

Title:

4 Debt Reduction Tips For You

Word Count:

325

Summary:

If you are in debt and owe money, you can tackle the problem head on by choosing one or more of four solutions outlined.

Keywords:

tax debt, equity loans, equity line of credit, mortgage, debt repayment, debt consolidation, free credit report

Article Body:

Getting out of debt can be a long, drawn out process. If you spent years wrestling with financial problems, the solution will not come to you overnight. It can take months, even years to unravel debt difficulties but it can be done. You have some options to help you get started; let's take a look at four of them:

**Credit Counseling.** Credit counseling companies are vying for your business. This can be a good option as you shop around to find the best plan out there, but bad as you learn that many companies will charge exorbitant fees or do work for you that you can do yourself. Some government agencies and nonprofit firms provide credit counseling too. For little or no money you may be able to find a professional who can help you navigate through your debt dilemma.

**Debt Consolidation Loan.** Replace your high interest credit cards with one, low interest rate credit card. You could also see if a lending institution will give you a debt consolidation loan. However, you may have to pay for an application fee, whereas with a credit card you would not.

**Home Refinancing.** Even with rising interest rates, refinancing your mortgage may make sense and allow for you to save hundreds of dollars per month on mortgage payments. With the monies saved with a new, lower mortgage payment you could use your savings to pay off your other debt.

**Cash Out.** Alternately to home refinancing, you may have enough equity in your home to cash out and pay off your debt. Importantly, although credit card debt is not tax deductible, a home equity loan is. Ultimately, you can reduce

your debt as well as reduce your tax obligation by cashing out.

You have some viable solutions to help you reduce your debt. Learn all you can about each option and select the plan that is right for you.