

Title:

How To Avoid Bankruptcy with Debt Consolidation

Word Count:

501

Summary:

You have unbearable debts and considering filing a bankruptcy as your debt relief? Bankruptcy has many undesirable consequences that will follow you for many years, it will remain on your credit report for 10 years; almost no lender will even consider you as a borrower for at least 2 years. Debt consolidation will always be your better option than bankruptcy. Read this article to get more information on how to avoid bankruptcy with debt consolidation.

Keywords:

bankruptcy, debt consolidation, debt relief, debt repayment, debtor, finance, personal finance, loan

Article Body:

You have unbearable debts and considering filing a bankruptcy as your debt relief?

Don't choose this option unless you really need to do so, look for other alternative if possible such as debt consolidation. Bankruptcy should only be you very last resort solution when you really can't find other solutions.

Bankruptcy has many undesirable consequences that will follow you for many years, it will remain on your credit report for 10 years; almost no lender will even consider you as a borrower for at least 2 years. Debt consolidation will always be your better option than bankruptcy.

Get Help From A Debt Consolidation Agency

There are many prestige debt consolidation agencies out there that can assist you to reduce your debt significantly and help you avoid the consequences of bankruptcy. When you contact a debt consolidation agency you'll be assigned an agent with a wide experience in negotiating with creditors.

The agent will meet you to discuss and analyze you case. He will ask you questions regarding your assets, your income, your debt, your job, your expenses, etc. You will probably be required to provide documentation regarding

these subjects too.

After understanding your situation, he will propose a debt consolidation programs which meet your debt situations and repayment ability. Then, he will arrange a meeting with your creditors and negotiate with them new repayment programs.

The people from debt consolidation agencies has a wide experience in negotiation with your creditor and can help you to reduce the amount of money pay for interest and can help you to get an extension on you loan period. Sometimes by means of debt consolidation people can get a reduction on your debt of up to 65%.

Debt Repayment

Once the debt consolidation people get your creditors to approve for the new repayment programs, you will need to start repaying your debt. The repayment options may depend on the negotiation outcome between the debt consolidation agency and your creditors. You may be asked to apply for a consolidation loan and once this consolidation loan get approved, this single loan will be using to pay for your debts and you just need to make your repayment on this single loan.

However, if you didn't apply for a consolidation loan, sometimes you may also get single repay schema from the debt consolidation agency. Many debt consolidation agencies do provide repayment collection service to their clients and distribute them to the creditors. Hence, you just need to make a single repayment to the debt consolidation agencies and the agency will take care of repaying all your debts.

Conclusion

If you are overwhelming with your unbearable debt, you may think of declaring a bankruptcy is your only solution; but this always not the case, there should be other alternatives to repay your debts which you might overlook. Consult and review the propose solutions from debt consolidation agencies, they may help you to avoid bankruptcy with a debt consolidation as your alternative option.