

**Title:**

Consolidate Debt With Home Equity as Security

**Word Count:**

550

**Summary:**

Don't let your high interest debts drag you into financial crisis. If you own a home, you may utilize the benefit of a home equity loan and consolidate all your debts into one smaller and more manageable payment under this home equity loan.

**Keywords:**

debt consolidation, home equity loan, home equity, equity, debt free, debt solution, debt relief

**Article Body:**

In these days, hard to find a person with zero debt and most people have more than one debt. You may have high interest credit card debts, loans and mortgages. If every month you find hardship to clear the needed repayment or you need to borrow from someone else in order to meet the monthly repayment, which is yet creates another debt, you are having financial difficulties. These are the signs of financial crisis and you need to react fast to find a solution to handle your debts in order for you to prevent trapping into financial crisis. One of the solutions for this problem is debt consolidation.

Debt consolidation is simply the process of combining all accumulated debt from all the various creditors into one smaller, more manageable payment. If you own a home, you can get a debt consolidation home equity loan. With your home as the collateral, you could apply for a home equity loan and consolidate all your debts into one inexpensive and affordable monthly payment with low interest rate. A debt consolidation home equity loan is a secured loan where your property will be security against the loan. These home equity loan in general will have much lower interest rate and it has various repayment period to choose from. You can choose the package with repayment period that have monthly payment that meet your financial affordability so it won't burden you. The lender will have a lien on your house until you pay off the home equity loan in full and because of this, the equity loan is easy to be approved. While you will continue to own your home as loan collateral, the debt consolidation loan will keep the creditors away and keep you out of bankruptcy. Using your home as collateral to get the debt consolidation home equity loan is a security to the lender. But you need to aware that at any time if you can't afford to make

payment to your home equity loan, you may lose your home. Hence, after consolidate your debt with the home equity loan, the first thing you need to do is to control your current and future expenses especially your credit cards, it is advisable that you don't use any of them in times of temptation. This is because once you consolidate all your debts with home equity loan, your credit cards will back the maximum credit allowance for you to swipe again and if you continue using it without a control, it will thereby increase your debt again and put you right back into the hot water.

Beside the low interest rate, longer repayment period and easier to be approved, a home equity loan is tax deductible. Normally, if you add your first mortgage to a new debt consolidation loan, and the total does not exceed 100% of the appraised value of your property, the interest you pay will be fully deductible. You can consult a tax consultant for further information on this matter.

**<b>In Summary</b>**

Don't let your high interest debts drag you into financial crisis. If you own a home, you may utilize the benefit of a home equity loan and consolidate all your debts into one smaller and more manageable payment under this home equity loan.