

**Title:**

Being Informed About Debt Consolidation Loans is the First Step Towards a Best Deal.

**Word Count:**

657

**Summary:**

Debt settlement is an important decision that one is making. A bad debt settlement decision increases the debt burden instead of eliminating the pre-existing debts. For information on debt consolidation loans, the best source will be the lender himself. The lender offers debt advice especially suited to your circumstances. Read more about debt consolidation loans in the following article.

**Keywords:**

Loans UK,secured loans,unsecured loans,debt consolidation loans

**Article Body:**

Though online loans brought in convenience to borrowers, trusting a particular lender for his services was made far more difficult. Having to deal with a virtual person through ones computer left little of personal bonding between lenders and borrowers.

This rightly applies to debt consolidation loans. Personal advice becomes important on several occasions. For instance, before selling a particular debt consolidation loan, the borrower needs to be assured that this is the best option that can be used with his kind of circumstances (every individual feels that his is the case that is unique, though it may not be true in most of the cases). Before online debt consolidation loans came into the scene, it was the banker or his representative who would deal with customer queries. Now, borrowers have to depend on magazines and independent financial advisors.

While magazines and journals are a very good source of information, they provide generalised information, and not information that suits the particular set of circumstances. Independent financial advisors are also not able to fill in the space of the personal advisor. They charge certain fees for their services. In addition, they are not easily available.

Lenders must be requested to clear your doubts regarding debt consolidation loans before accepting it. Most lenders have employed experts from the field of

finance to deal with customer queries. Having a clear concept of how a debt consolidation loan improves your financial condition will be the basic step in the loan process. With debts already making your life difficult, a bad deal debt consolidation loan will be a double whammy for you.

Consequently, a proper groundwork must precede any decision on debt consolidation loans. The easiest method of gaining information about debt consolidation loan from several loan providers is through debt consolidation loan quote. One has to simply fill in the quote form, and quotes by several lenders appear in a minimal time of an hour. Loan quote gives information about the rate of interest, term of repayment and other important terms of the debt consolidation loan. The method suffers from two drawbacks:

- The loan quote does not list all costs that are later added to the debt consolidation loan.
- The loan provider does not promise to lend for debt consolidation on similar terms.

However, loan quote is good to get an idea of terms on which debt consolidation loan is offered. As mentioned above, a borrower cannot demand debt consolidation loan on terms mentioned in loan quote, unless there is a clause stating otherwise.

Debt consolidation loans are offered for a range of periods. The period forms the term of repayment of the debt consolidation loans. Though paying through monthly instalments is an age-old method, it has not lost its importance. Having to pay only a part of the total cost every month is relatively easier. Additionally the repayable debt lessens with every repayment. Another method of repayment, termed as the interest only method, also lessens the monthly repayments but the final amount repayable at the end of the term is very high. This is because only interest is repayable monthly.

The use of debt consolidation loans must be made sparingly. Many a times, borrowers begin using debt consolidation loans as a pretext for spending more. Lenders do not approve of a frequent use of debt consolidation loans. Failure to pay debt consolidation loan will start repossession proceedings to recover the unpaid amount. Therefore, debt consolidation loans must be used with caution. Tendency to spend more than what one brings as revenue must be curbed. If necessary new sources of income must be devised to meet the excess expenditure. Above all, debts must be catered to immediately after it has been incurred. Immediate decision must be made about the method of dealing with the debt by taking into consideration the size of debts and ones own capability to meet the

debt. Only if needs be, debt consolidation loan must be resorted to.