

Title:

Consider Debt Consolidation to Improve Your Credit Ratings

Word Count:

564

Summary:

Being in debt is just a fact for many people. But it does not have to be a bad thing, even though you may have a bad credit history, consolidating your debts will eventually lead to you having no debts at all and a better credit record. Read this article for further information on how you can improve your credit ratings through debt consolidation.

Keywords:

debt consolidation, debt free, debt solution, debt relief, credit counseling, debt settlement

Article Body:

Being in debt is just a fact for many people. Statistic shows that over 40% American families spend more money that they earn and the average American household has nearly \$10,000 in credit card debt. But it does not have to be a bad thing, even though you may have a bad credit history, debt consolidation may be a way for you to take charge of your credit.

Debt consolidation is a debt reduction process that allows you to combine your assorted unsecured debts such as credit card's debts into one payment. Instead of sending your credit card payment to 7 or 8 banks at different due schedule, you would make one payment to the debt consolidation company and that company will take care everything for you. Normally, the debt consolidation company will generally negotiate a reduced interest rate, a reduced balance, a lower monthly payment, eliminate late fees, and set a term when the debt will be paid off in full. This may save you large sums of money in the long run.

Before you decide to go for debt consolidation, you need to figure out how much you owe. You can know the total in debt by listing all creditors and how much you owe for each creditor. In addition, include the monthly payment due for each creditor. By assessing your debts, you will then be able to determine how much you owe and how much of a loan payment you can afford if you choose to consolidate.

Consolidating your debts is one of your options of eliminating your debt. By

consolidate all your debts into one monthly payment will ease your debt management by focusing only on one payment instead of multiple payments with difference due schedule; this will help you to avoid miss payment or late payment to your creditors and help you to rebuild your good credit records and eventually improve your credit ratings.

You can consolidate your debt either with or without a debt consolidation loan. There are many reputable debt consolidation company specialize in managing all your debts without getting another loan. They will charge a fee for their services and in turn, they will negotiate with your creditors to have your interest rate lowered and they will take care of the payments you make every month.

You can also choose to consolidate your debt with a consolidation loan and if you own your own house, you can consider an equity loan using your home's appraised value and other equities to obtain the needed financing.

Just beware of debt consolidation scams, take your time to check out a few debt consolidation companies and give alert on the offers that are "too good and guaranteed for everything. The best way to check the reputability of these debt consolidation companies is to check them with the Better Business Bureau at bbb.org. From they you will know how many complaints have been filed against these companies and for what reasons.

In Summary

Consolidating your debts will eventually lead to you having no debts at all and a better credit record. Once you have consolidated your debt into one payment, put your credit cards away, and do not take on any more credit. Remember, the purpose of you consolidate your debt is to reduce and eliminate your debt in the end and improve your credit ratings.