

**Title:**

Dangers of Debt Consolidation

**Word Count:**

301

**Summary:**

Are you considering getting rid of your debts by consolidating your debts? Many believe that debt consolidation is probably the best option to overcome excessive debts. This statement to some extent is true but is Debt Consolidation the answer to your worries about debt problems.

**Keywords:**

dangers of debt consolidation,debt consolidation,consolidating your debts,debt consolidation loan,debt consolidation loans,consolidation loan,consoliadtion loans

**Article Body:**

Are you considering getting rid of your debts by consolidating your debts? Many believe that debt consolidation is probably the best option to overcome excessive debts. This statement to some extent is true but is Debt Consolidation the answer to your worries about debt problems.

Debt consolidation loan is not so easy to fix. If appropriate measures are not taken a debt consolidation loan can actually multiply your debts and problems. Watch out for the sky-high rates, hidden fees, costly add-ons and damage to your credit rating.

Many people consider Debt consolidation loan as a magic wand which can just make your never ending debts disappear. They favor the option of paying just one bill instead of paying multiple bills. However in the process they fail to realize their limitations and land up into double trouble.

The trouble with debt consolidation loans is twofold:

- This kind of borrowing typically does nothing to solve the problem that got the consumer in trouble in the first place: overspending.
- The loans can be far more expensive than the debt they're designed to pay off, full of hidden fees, expensive insurance and other profit-boosters for lenders.

Did u know?

- Personal loans charge a interest rate of 14% to 15% with people with good credit score. However a person with bad credit score is dumped under high interest rate of 18% to 21%.
- Many people add up to their credit card debts even after they've consolidated their debts. If this continues for too long they actually bring themselves closer to the financial brink.
- The cost of the insurance is tacked on up front, so you wind up paying interest each month on the extra amount.
- Debt consolidation loans can hurt your credit to a great extent.
- One can lower the rate of interest without a debt consolidation loan.