

Title:

Debt Consoladation 101

Word Count:

481

Summary:

You've probably heard that debt consolidation can help you get control of your money and reduce your overall debt. And you probably know that you can finance it yourself, without using a professional debt consolidation company. But is that the right move for you? That depends on your personal situation, but, in most cases, it's a smart choice if: you have equity in your home

Take Advantage of a High Credit Score

Having good credit has certain advantages. Aside from maki...

Keywords:

loans,home loan, personal loan,equity loan mortgages,online mortgage lender,online loan rates,home 1

Article Body:

You've probably heard that debt consolidation can help you get control of your money and reduce your overall debt. And you probably know that you can finance it yourself, without using a professional debt consolidation company. But is that the right move for you? That depends on your personal situation, but, in most cases, it's a smart choice if: you have equity in your home

Take Advantage of a High Credit Score

Having good credit has certain advantages. Aside from making it possible to get the best rate on mortgages and auto loans, persons with excellent credit may also qualify for a debt consolidation personal loan. Getting approved for a personal loan is difficult. For the most part, banks set the standards very high. To avoid the risk of losing money, many financial institutions only approve these loans to persons with credit scores above 720.

The Keys To A Good Debt Consolidation Loan

For a debt consolidation loan to work, you need to be paying a lower rate on your new loan. Another factor is that the payment schedule is for the same or

shorter period as the original loans. And the final key is to not lose potential savings by paying excessive fees.

Questions To Ask Lenders

Rates are important, but so are fees. Make sure you ask lenders about their application and annual fees. Also ask if there are discounts for automatic payments with direct withdrawal.

Remember, you have the legal right to this information according to Federal loan. Make the most of it and get the information you need to make the right loan choice

Bill consolidations reduce the risk of late payments.

When you are carrying a lot of debt from several different sources, it is hard to always make the payments on time. Perhaps you run out of money in your budget, before you have paid each obligation or you just forget one bill in the stack of several that is due. Whatever the reason, making late payments hurts your credit and costs you lots of money in late fees and finance charges. By consolidating your bills you will only have to make one payment each month. This means you won't accidentally be late on a payment or find you don't have the money left to make a payment that is due.

You can eliminate credit card debt through a consolidation loan.

Taking out a loan to consolidate your credit card debt can help you to get out from your debts. This option does require you to pay off your debts, but it gives you the tools to do so and over the long term, saves you money. TO qualify for a consolidation loan, you must put up some form of collateral, usually a house with equity, so you do run the risk of losing that collateral if you fail to make the loan payments.