

Title:

Debt Consolidation Solutions - Ways to consolidate your debts yourself

Word Count:

400

Summary:

There are many options for a debtor to consolidate his debts in this day and age. The most common ones you have heard or seen so far are probably those commercials on late night television - from debt consolidation companies that promise to help you fight and win over your debts...

Keywords:

debt consolidation solution, home equity loan, life insurance policy holder, good credit rating

Article Body:

There are many options for a debtor to consolidate his debts in this day and age. The most common ones you have heard or seen so far are probably those commercials on late night television - from debt consolidation companies that promise to help you fight and win over your debts.

There are also many government aid programs that seek to help debtors get out of debts. But these services usually require that you fulfill certain requirements and a minimum amount of debts before you are applicable to join their programs.

You can choose to consolidate your debts yourself if you know the options available for you.

Home Owners

The best option for home owners would be to take up a home equity loan to borrow against the value of your home. This can usually be done without any other mortgages. A home equity loan is usually a fixed amount of money repayable within a fixed period of time. These loans often offer the lowest interest rates and payment method.

Note that home equity loan interest can be variable and you also run the risk of losing your home if you fail to pay your loan.

People with Good Credit Rating

If you still enjoy a good credit rating, you can choose to consolidate your debt

with credit cards. With a good credit rating, credit card companies are willing to grant you a lower interest rate if you transfer all other card balances to them. You can call all your card issuers to get a quote from them and compare them before you sign up the best offer available.

Remember to request for a fixed rate and to waive any transfer fees to transfer your card balances.

Life Insurance Policy Holder

You can have the option to borrow from your life insurance policy at a premium interest rate to solve your debt problems. The advantages is that you are not stressed up to repay this loan and that your life insurance benefits will be reduce by any amount that you borrow.

Different life insurance policies have different guidelines for borrowing. It is best to consult your insurance agent before you proceed to borrow against your insurance policy.

Do check out the above options if they are available to you. With good planning and actions, you will be able to clear your debts in 3 to 5 years.