

Title:

Debt Consolidation Loans Can Resolve Bad Credit Debt

Word Count:

403

Summary:

Replacing several high interest loans or credit cards with one consolidation loan can not only lower your monthly payments, but also save you money due to the lower interest rate on the new loan.

Look at the rates you are paying on your unsecured debts, i.e. credit cards with a rate of between about 13% and over 35%. These are obvious replacement loan candidates. Auto loans and store credit cards are other loans that should be paid off.

If you can get a second mortgage ...

Keywords:**Article Body:**

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Look at the rates you are paying on your unsecured debts, i.e. credit cards with a rate of between about 13% and over 35%. These are obvious replacement loan candidates. Auto loans and store credit cards are other loans that should be paid off.

If you can get a second mortgage or refinance your current first mortgage, use these funds to pay off these unsecured loans. You should be able to currently save several thousand dollars in interest payments alone. I am assuming a total loan amount above the home debt to be about \$20,000.

The other advantage to this plan is to reduce your monthly payments by a substantial amount. This also should allow you to gain a payment schedule that you can easily meet and even reduce quicker over time. Make sure you can pay off this new loan with extra payments with no penalty. It is a good place to put some of that extra money you have each month.

This idea also takes some solid research on your part. All banks and mortgage companies do not operate the same way. Also you want to find the best rate you can get for your debt structure.

Look to these sources for your consolidation loan: Local banks, local mortgage brokers, and the newest provider for these loans, the internet loan providers. There are many companies fighting each other to make these loans to folks like you. Take advantage of your popularity.

Sometimes, debt consolidation companies can discount the amount of the loan. The debt consolidator will buy the loan at a discount, usually when in danger of bankruptcy. The wise debtor can easily shop around for consolidators who will pass along some of the savings. Consolidation usually affects the ability of the debtor to discharge debts in bankruptcy. It's prudent to weigh this decision rationally.

Take your future in your own hands and make this happen for your financial health. Saving money and paying off your debts faster will open your life to a freedom you have not enjoyed for a long time. A family with minimum debts has eliminated a potential family problem and replaced it with freedom. Do your self a favor and become debt free.