

**Title:**

Debt Consolidation Loans - Knowledge Is Power

**Word Count:**

344

**Summary:**

A debt consolidation loan pays for multiple other loans or lines of credit. If you find yourself swimming in debt, this might be a good option. Debt consolidation loan is the best option when you have maxed out your credit cards and are yet paying for your car and house.

A debt consolidator will help you in making a single payment instead of making multiple payments. Managing your finances gets much easier. Also the interest rates on a debt consolidation loan are less sinc...

**Keywords:**

debt consolidation

**Article Body:**

A debt consolidation loan pays for multiple other loans or lines of credit. If you find yourself swimming in debt, this might be a good option. Debt consolidation loan is the best option when you have maxed out your credit cards and are yet paying for your car and house.

A debt consolidator will help you in making a single payment instead of making multiple payments. Managing your finances gets much easier. Also the interest rates on a debt consolidation loan are less since most of the debt consolidation loans are nothing but a home equity loan. Another good part is that since the interest rates are low, your payment is significantly reduced. If you have any issues or come up with questions, you have to make a single call to your credit counsellor instead of making several calls. One more advantage lies in the fact that the interest paid to a mortgage can be used as a tax write-off. This benefits you from a tax perspective.

Before you run out to get a debt consolidation loan, you also need to factor in the cons associated with this loan. For one, it is very easy to fall further into the debt trap. Since you will be left with more money at the end of the month, you will consider blowing it away rather than paying up for your debt. With the current economic situation, most mortgages are 30 year mortgages and this means you will end up paying your loan for the next 30 years. In terms of

dollar amounts and over the lifetime of the loan, you will be spending much more than if you were to pay off the individual loans. The debt consolidation loan is against your home. This makes a debt consolidation loan a secured loan. Your creditors will take away whatever secured your loan and in this case it is your home.

As you can clearly see, debt consolidation loan are not for everyone. You have to look at the advantages and the disadvantages and make the correct decision for yourself.