

Title:

How To Avoid Bankruptcy & Get Out Of Debt Faster Using Debt Negotiation!

Word Count:

521

Summary:

Has credit card debt got you thinking about bankruptcy?

You're not the only one these days. Even with the new bankruptcy laws, credit card debt continues to climb. Unfortunately for most of us, our paychecks don't climb as quickly.

If you're on the verge of bankruptcy, you may have another alternative.

Debt negotiation is a process where you negotiate with your creditors to pay off your debts at a reduced amount - for example, if you owe \$12,000, you can negotiate...

Keywords:

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Article Body:

Has credit card debt got you thinking about bankruptcy?

You're not the only one these days. Even with the new bankruptcy laws, credit card debt continues to climb. Unfortunately for most of us, our paychecks don't climb as quickly.

If you're on the verge of bankruptcy, you may have another alternative.

Debt negotiation is a process where you negotiate with your creditors to pay off your debts at a reduced amount - for example, if you owe \$12,000, you can negotiate a payoff of \$5,000. The benefit for the creditor is that they get more money than they may have through bankruptcy, and they get the money sooner. The benefit for you is obvious - you get out of debt faster, and save lots of money in interest.

Where do you get the money to pay off the debt?

Take the money you would have normally used to pay your credit card bills, put

it aside, and when you accumulate enough to pay off the debt, send in the reduced amount you agreed to.

If this sounds confusing, that's ok. It's really not.

There are many professional companies that will do all the work for you, and charge you a percentage of the savings.

I can speak from experience (I built up a lot of debt trying to start a sporting goods business, which didn't quite work out) that even with the fees, this is a good deal - plus you save a lot money by not having to pay the high interest rates on your credit card bills.

Sure, it is a more aggressive approach to getting out of debt than making minimum payments, using credit counseling, getting a debt consolidation loan, or borrowing from a friend or relative. But in the end, you'll get out of debt faster...

And avoid bankruptcy!

If you've never heard of debt negotiation (also called debt settlement), that's ok too, not many people have. I didn't until I began to seriously consider bankruptcy.

One reason many people are hesitant to consider debt negotiation is that it goes on your credit report. Sorry to tell you, but having lots of debt (even if you pay on time), making payments late, even credit counseling - all go on your credit report and can negatively effect your credit. And (of course) bankruptcy is a big negative!

In my case, getting out of debt, removing all the financial stress, and being able to live a normal life were well worth it. With so much debt, having good credit was meaningless anyway.

Plus, I was able to get all but one of the negative items off my credit report (that's a topic for another discussion), and my credit is now back to normal. In fact, I now get more credit card offers than I can handle - and fortunately, I can now throw them all in the trash!

When money is tight, and debt is high, there aren't many simple answers.

But if you are already considering bankruptcy, then debt negotiation might be the right alternative to help you get out of debt faster!

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