

Title:

Consider A Program To Consolidate Your Debt

Word Count:

732

Summary:

In the present climate of easy credit it is easy to get in over your head with credit card debt. Many people do not realize how many Americans are living payday to payday getting deeper and deeper into the drowning pool of high interest revolving debt. With recent laws mandating higher minimum monthly payments and stricter bankruptcy laws there are those who may feel they have no options. A program to consolidate debt may be the answer for these people. If you are one of those w...

Keywords:

online debt consolidating, debt consolidation program, debt program, debt, consolidation program

Article Body:

In the present climate of easy credit it is easy to get in over your head with credit card debt. Many people do not realize how many Americans are living payday to payday getting deeper and deeper into the drowning pool of high interest revolving debt. With recent laws mandating higher minimum monthly payments and stricter bankruptcy laws there are those who may feel they have no options. A program to consolidate debt may be the answer for these people. If you are one of those who is struggling with a staggering load of debt you may want to think about a program such as this.

There are two steps which will start you on the road to a debt consolidation program. First, gather all of your bills and make a list of the monthly payments you are making and the interest rates you are being charged. Second, access your credit report online. If you have not received a credit report during this calendar year you are entitled by law to a free report from each of the three credit reporting agencies. Your credit report will tell you how many times your payments have been late or missed. It will also give you contact information for all of the companies to whom you are making payments if you do not already have it. Combine the research from your bills and from your credit report to ascertain exactly how much you pay monthly, how much you owe and what your payment record is.

When you obtain your credit report, you should also purchase your credit (FICO)

score which should be available from the same sources for a nominal fee.

Armed with this information contact several debt consolidation programs. Sources for such programs can be your banking institution, the yellow pages, the Internet, the Better Business Bureau and The Chamber of Commerce. If you know others who have had similar problems you might ask them for personal recommendations. Churches may also be a valuable resource for debt consolidation programs. Some religious organizations even operate such facilities.

Even though debt consolidation programs advertise themselves as services they are also money making concerns. Therefore, when deciding upon the one to use you should be wary of them as you would be when making any financial commitment. The purpose behind a debt consolidation program is to have the company deal with your creditors. Negotiating a reduction in your credit card interest rates, asking for reduced fees and longer repayment plans and other debt restructuring is a tedious process. It often requires a lot of cross mailings and telephone calls. Once you are in a debt consolidation program the company will take care of these matters for you. In order for the program to be successful overall you must make sure you choose a company that will deal fairly and competently with both you and your creditors.

Interview the prospective debt consolidation program representatives just as you would an applicant for a job. These people will, after all, be working on your behalf. Make sure the tasks they will do for you and what they hope to accomplish are clearly defined. It is also imperative to have a written breakdown of the fees they charge. Ask them to give you a breakdown of how much of the payment you make to them will go to the credit card companies and how much they will keep as the cost of your participation in the program. Once they have negotiated the reconfiguration of your debts with the various credit card companies the debt consolidation program should furnish you with a copy of the negotiation results. It should stipulate how long it will take for all of your debts to be paid in full.

Learning to manage credit better in the future is an essential part of any debt consolidation program <http://www.dixiejournal.com/category/finance-news>. Quiz the companies you are considering about the credit education programs they offer. At a minimum, courses on budgeting and wise use of credit should be available.

Many programs may require that you relinquish most if not all of your charge cards. This step may be hardest of all for you to complete but it is one of the most important. Once you have gotten out from under your credit card debt and curbed your dependence on future charging your debt consolidation program will

be truly successful.