

Title:

Consolidating Your Credit Card Debt

Word Count:

420

Summary:

Under a debt consolidation plan, terms and conditions change, it will allow you to pay your current debts in 3-6 years. The purpose of debt consolidation is to speed up your paying time and at the same time makes lower monthly bills.

You have to make sure that the new cost of the consolidated loan is truly less than what you are currently paying for to the various creditors. Not getting the lowest available interest rate has always been a problem faced by consolidation loa...

Keywords:

lender,lending tree,mortgage lender,lending

Article Body:

Under a debt consolidation plan, terms and conditions change, it will allow you to pay your current debts in 3-6 years. The purpose of debt consolidation is to speed up your paying time and at the same time makes lower monthly bills.

You have to make sure that the new cost of the consolidated loan is truly less than what you are currently paying for to the various creditors. Not getting the lowest available interest rate has always been a problem faced by consolidation loan applicants. Be sure that there is something to secure the loan like your house for example.

It is highly recommend you to calculate the interest and the fees of all your existing accounts to see the total payments you're making at present. After computing this, compare the figure with the consolidation loan amount. This will determine if you're making a better choice or not.

Be sure to make your deposits on time, if you are already under a consolidation loan. This will assure your creditors that you really intend to pay for your debts. Having delayed payments might cause the creditors to resume the normal collection activities and what's worse, they might turn it back to the regular interest rates and fees.

Be sure to keep in touch with your consolidation representative. There may be

instances that your account will be turned over to a collection agency. Keeping your agent updated on the changes will help you solve your problems.

Pay your credit to your consolidation company. They are the ones that divide how much goes to each creditor.

Always check on your creditor's statements. It is your duty to monitor the monthly statements sent to you by your creditors. Check if your creditor has reduced the rates. They should also have the late fees stopped. Also check if your debt consolidation company is paying your creditor the right amount.

There are many types of debt consolidation loans available. There could be a loan that would take you a longer time paying but has a higher interest rate. There are also loans that offer short payment duration and a lower rate of interest. If you could not pay for a larger amount every month, you could choose consolidation loans that offer a longer plan.

There is the variable rate debt consolidation loan that allows you to make extra repayments anytime with no extra cost. However a fixed rate debt consolidation loan will only accept fixed repayments for the duration of the loan.