

Title:

Debts and bill consolidation

Word Count:

524

Summary:

Did you know that there are 44% of Americans who have debt that they can't pay? A study from conducted by the Federal Reserve shows that outstanding debt in 2007 has remained steady at \$2.5 trillion. If we divide this amount to the total population of the United States, that' equivalent to \$8,200 debt for every man or a woman, an adult or a child.

Keywords:

consolidate student loans, consolidation student loan, consolidation of student loans, consolidate student loan, student consolidation loans

Article Body:

Did you know that there are 44% of Americans who have debt that they can't pay? A study from conducted by the Federal Reserve shows that outstanding debt in 2007 has remained steady at \$2.5 trillion. If we divide this amount to the total population of the United States, that' equivalent to \$8,200 debt for every man or a woman, an adult or a child.

In a recent study conducted before the passing of house bill 2669, it was found that 60% of all college graduates leave college with debt. The main reason for this was said to be the high cost of education. This is a big problem for a lot of students as they haven't been able to start a life yet but they are already burdened by the complications caused by their decision to continue schooling. The government has already tried to address the issue of education but what remains is the personal capacity of an American to manage his finances.

Everywhere around the world, countries are getting bothered with the number of people who are spending well above their capacities and are thinking of filing for bankruptcy. In the United States, the number of people filing for personal bankruptcy has reached record highs in recent years. This might seem the best solution for most people as it immediately causes lenders to cease their endless calling to collect money but credit counselors believe that it is the worst situation that anyone can find themselves in. When one files for bankruptcy, this affects his long term credit rating and in effect, forfeiting a lot of options that are otherwise available when he was in bad credit.

Creditors already find it bad for business to lend money to people who are credit risks, giving a loan for someone who has nothing to pay you with for a few years is much more unbelievable. Because of this, people who are in a state of bankruptcy find themselves in more trouble and their only hope is aid from the government - something which is not readily available since there are thousands in the same situation.

As such, credit counselors suggest going through the bill consolidation route before anything of impact occurs. Most people can get bill consolidation loans from private companies or from non-profit organizations. Although debt and bill consolidation is the best solution, borrowers need to deal with a few issues so as to effectively minimize their debts. Before you decide to consolidate bills, you need to understand that this strategy is most commonly done by getting secured loans, which offers higher loan amount at lesser interest rates, but are requiring collateral. Most people take out a mortgage on their homes. If you are unable to manage your finances well after the money from the bill consolidation loan is released, you might find yourself in more trouble than you originally started with.

It is a must that you prioritize repayments on essential services such as utility bills. When all is said and done, allot every spare penny to the repayment of your mortgage as you might end up losing your home if you forget to pay the monthly installments.