

**Title:**

Consolidating Debt & Debt Reduction Without Owning A Home

**Word Count:**

374

**Summary:**

You have two options to consolidate and reduce your debt if you don't own a home. First, you can use the services of a debt consolidation agency. They will negotiate lower interest rates and smaller payments. The other option is to take out a personal loan and pay off your debt. The best option depends on your financial situation.

**Debt Consolidation Agency**

Debt consolidation agencies, also called credit counseling, offer many credit services. Their primary job is to hel...

**Keywords:**

debt relief, debt consolidation, debt problem, debt management, poor credit

**Article Body:**

You have two options to consolidate and reduce your debt if you don't own a home. First, you can use the services of a debt consolidation agency. They will negotiate lower interest rates and smaller payments. The other option is to take out a personal loan and pay off your debt. The best option depends on your financial situation.

**Debt Consolidation Agency**

Debt consolidation agencies, also called credit counseling, offer many credit services. Their primary job is to help you pay your debt and bills by negotiating lower rates and payments with creditors. If you have bad credit or on the verge of bankruptcy, this service might be your best choice.

You aren't charged any fees by these agencies since they are funded by financial companies. Financial companies don't want to see you declare bankruptcy and not pay them back, so they are willing to set up alternative payment plans.

Besides consolidating and reducing your debt, you can work with credit counselors to improve your credit. They can offer you advice on creating

repayment plans, saving goals, and future financial strategies.

### Personal Loans

You can also decide to use a personal loan for debt consolidation and reduction. With interest rates typically lower than credit card rates, you can reduce your payments by hundreds. One payment also makes it easier to pay than several small bills.

With an unsecured personal loan, you will need to have decent credit and steady income. Once you pay off your other debts, you can decide to leave those accounts open for emergencies or close them.

Before you pay off all your bills with a personal loan, make sure you have researched several lenders to find the lowest rate. Also be sure that you find a rate lower than what you are currently paying on your bills. Personal loans are usually prime plus 2% to 5% higher.

### Explore Your Options

Before committing to either option for debt and bill consolidation, research your choices. Request quotes from lenders to see if you can find a good rate on a personal loan, but also talk with debt consolidation agencies to see what they can do for you. Choose the option that can lower your rates the most given your credit history.