

**Title:**

The Three Stages Of Debt Consolidation Loans

**Word Count:**

784

**Summary:**

If you are experiencing debt problems then one solution may be to take out a debt consolidation loan to sort yourself out. Getting into a spiral of debt doesn't just affect your finances - it can be a stressful experience that can also affect your health and mental well-being. So, it makes sense to take action as soon as you can before the situation gets completely out of hand.

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**Keywords:**

personal loans, compare loans, secured loans, best loans

**Article Body:**

If you are experiencing debt problems then one solution may be to take out a debt consolidation loan to sort yourself out. Getting into a spiral of debt doesn't just affect your finances - it can be a stressful experience that can also affect your health and mental well-being. So, it makes sense to take action as soon as you can before the situation gets completely out of hand.

If your debts are worrying you - and remember, you don't have to owe a whole lot of money to have debt problems - then there are three basic stages to debt consolidation that can help you make the right decision on what to do. Let's take a look at your options.

**Stage One - Decide what you want**

It doesn't matter how big or small your existing debts are - if they are a worry to you then debt consolidation loans could provide you with the right kind of solution. So, are your debts so bad that you need this kind of loan?

The first thing you need to do is to work out how bad your financial situation is. If, for example, you spend most of your monthly income on repaying your debts leaving you with little or no cash spare to live on every month then you may well need to look at this kind of solution.

The problem with many debts nowadays is that most of us end up borrowing money on products such as credit cards and overdrafts. So, every month you may find that you are simply repaying the minimum sum allowed whilst high rates of interest are added to your initial borrowings. All too soon you can find that you aren't making any headway at all to repay what you owe as more is added to it every month even if you have curbed your spending. So, you may find that you have to borrow more to even make the minimum payments which will only make the situation worse. If this scenario sounds familiar to you then a debt consolidation loan could be the answer to your prayers.

### Stage Two - Look at what debt consolidation can do for your finances

The key advantage to a debt consolidation loan is that it will repay your existing debts for you. You'll still have to repay this loan but it'll cost you less and it will get you out of the spiral of debt increases. This kind of loan is usually a standard personal loan so the interest rate advantages you'll get are huge. Personal loans have far lower interest rates than products such as credit cards, for example. So, you'll have to spend less on debt repayment every month and less overall to repay your borrowings.

Plus, this kind of loan will give you just one monthly payment which can be set at a fixed rate so you will know exactly where you stand. If you have any doubts about what this kind of loan will do for you then do a bit of research first before you make a decision. Work out how much you currently pay every month on repaying your debts - then, if you log on to a specialist website such as [www.uk-consolidation-loans.co.uk](http://www.uk-consolidation-loans.co.uk) you can see how much a debt consolidation loan will suit you. And, you'll get the instant peace of mind of knowing that your debts will be repaid at the end of the loan. There really is an end in sight here!

### Stage Three - Get the best deal

Debt consolidation loans can come in various forms. If you prefer you can take out a specialist loan or simply opt for a standard personal loan. If you're a homeowner you can opt for a secured loan or if you prefer or you don't own your own property, then you can use an unsecured option. In any case, the key thing to remember is that you want a reputable lender with the best deal possible. It's vital to keep the interest rates you get for your loan as low as possible to make sure that you pay back as little as possible over time.

The easiest way to do this is to shop around. In today's Internet focused world you don't have to do this yourself - there are many specialist sites that can

help you find great rates and deals.

For many of us a debt consolidation loan can be the first step we take on the road to a debt free life. With this in mind it's a solution worth looking at no matter what level of debt you currently have.