

## Credit card debt consolodation

The benefits from Credit card debt consolodation

'Credit card debt consolodation' seems to be the most talked-about term in the world of credit cards. It's true that credit cards have been very useful and convenient for us and we, in fact, treat the credit cards as a necessity. However, with every good you have evil too. In the world of credit cards, 'Credit card debt' is that evil and 'Credit card debt consolodation' is often regarded as a medicine for treating credit card debt.

Anyone who has read any newspaper articles on 'Credit card debt' would already know what credit card debt consolodation is. However, just for the benefit of others, credit card debt consolodation, in simple terms, is the process of consolidating debt which you hold on various high APR credit cards onto just one low APR credit card. Thus, the main benefit of credit card debt consolodation is realised in terms of APR reduction (and hence reduction in credit card debt growth rate). This is touted as the most important benefit (and sometimes the sole benefit) from credit card debt consolodation. However, credit card debt consolodation comes with few more benefits as well. Some of these credit card debt consolodation benefits are widely publicised by the credit card suppliers and some not so much:

1.        Initial APR: As mentioned above, lower APR is the biggest benefit from credit card debt consolodation. Since credit card debt consolodation is used by credit card suppliers as a tool to attract consumers, they generally offer a 0% APR for a initial period of 6-9 months of you joining their credit card debt consolodation programme i.e. first few months after you get the new credit card.
2.        Standard APR: Lower standard APR (i.e. the long term APR) is the other important benefit from credit card debt consolodation. Though not all credit card suppliers offer a lower standard APR with credit card debt consolodation some do design credit card debt consolodation programmes with good standard APR. These credit card debt consolodation programmes offer a trade-off between initial and standard APR rates.
3.        0% on purchases: This is another common benefit from credit card debt consolodation. The 0% interest (or some lower percentage) on purchases is offered as an incentive for credit card debt consolodation. This credit card debt consolodation benefit is again applicable only for a short initial period.
4.        Easy management: This credit card debt consolodation benefit is not as discussed as others. However, one benefit of credit card debt consolodation (from multiple to single credit card) is the fact that you need to track and

manage a lesser number of credit cards.

5. Other benefits: The credit card debt consolodation exercise might bring you some more benefits in terms of rebates, discounts and reward points (especially if you move to a co-branded card as part of credit card debt consolodation)