

Title:

Consolidate Debt Into A Single Payment

Word Count:

318

Summary:

Are you drowning in debt? Do you feel you are paying too much in credit card bills and struggling to pay the minimum amount on your credit cards? In such cases, debt consolidation loan might be a viable alternative.

A debt consolidation loan is a loan you can take against your home. Some banks will allow you up to 125% of your house value and this money can be used to consolidate debt. The interest on your debt consolidation loan will be far less than interest on your cred...

Keywords:

debt consolidation, debt consolidation loan

Article Body:

Are you drowning in debt? Do you feel you are paying too much in credit card bills and struggling to pay the minimum amount on your credit cards? In such cases, debt consolidation loan might be a viable alternative.

A debt consolidation loan is a loan you can take against your home. Some banks will allow you up to 125% of your house value and this money can be used to consolidate debt. The interest on your debt consolidation loan will be far less than interest on your credit cards or personal loans.

The money from debt consolidation loan can be used to pay off your credit cards, store cards and personal loans. This will significantly reduce your monthly repayment as well as your interest.

However, a debt consolidation loan is considered to be a secured loan. If you are unable to make payments, your bank has the right to resell your home to another customer and force you to move out. Debt consolidation loans are to be considered when you are certain about the repayment of the loan. Some folks will rack up much more debt when debt consolidation loans are available and this downward spiral will never end. Adopt caution and make it a point to repay all your debt rather than land into a downward spiral of debt.

Many experts recommend discussing your debt consolidation loan plan with your

credit counselor who can provide you with appropriate guidance on your particular situation. A credit counsellor is a debt consolidation loan expert who receives adequate training on the subject of debt. They are better capable of making sound judgements for you, the customer. Most credit counselling agencies are accredited given you added confidence in working with them to reduce your debt. However, be aware that there are many shady companies in this business so proceed with caution and ask a lot of questions when you seek services.