

Title:

Debt Consolidation and the Benefits of Unsecured Loans

Word Count:

329

Summary:

Unsecured loans for debt consolidation are loans that do not require collateral. Debt consolidation loans are claimed to help debtors avoid bankruptcy, eliminate debts, terminate hassling creditors calls, lower debt payments, and one low monthly payment. Of course, no one wants to file for bankruptcy.

Keywords:

Debt Consolidation,Benefits,Unsecured Loans

Article Body:

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Lawyers are notorious for telling people that there is no other way but to file for bankruptcy. Likewise, any source that tells you that they can eliminate debt is leading you on. Reality is structured to keep everyone in debt. No one has the ability to get out of debt unless they die. However, there are solutions for minimizing debts so that you can remain stable.

To give you an idea of unsecured loans for debt consolidation, I am going to breakdown the balance of a hypothetical loan scenario.

The unsecured loans for debt consolidation are nothing more than subtracting a series of debts and adding new debts. Sure, you may pay less, but in the long run, you still owe something to someone.

Let's say that you owe a number of creditors \$10,000: you can go to a debt consolidation organization that offers you the loan amount. Now, you have depleted your debts from the other lenders, but you incurred a debt from another lender. Let's say there are fees (which in most instances is true) and those fees equal \$39 plus a 4.49% interest. On a \$10,000 unsecured loan for debt consolidation, you would pay around \$834 per month to repay the debt. If the company charges \$39 plus interest and the capital on the loan, it would only

equal around \$759.30 per month when applied to the loan. This means that it would take you longer than one year to repay the debt.

Finally, there are solutions for paying off debts without getting in more debt; however, most of these solutions will need you to actually deal with your own creditors and will also require you to exercise an enormous amount of personal restraint in your financial decisions.