

Title:

Credit Card Debt Help

Word Count:

514

Summary:

Once you come to the realization that you need to reduce and eliminate debt, the next step is to find the right solution for you. The solution that eliminates debt quickly and has the best chance of rapid credit recovery after you get out of debt.

Keywords:

debt relief, debt, bankruptcy, consolidation, credit card, fico, credit repair

Article Body:

Million of people seek relief from the burden of credit card debt. Lots of options are available, but if your the one seeking credit card debt relief, you already under pressure. Its difficult enough to deal with the problem without the additional stress of sorting through all the available debt relief choices.

Once you come to the realization that you need to reduce and eliminate debt, the next step is to find the right solution for you. The solution that eliminates debt quickly and has the best chance of rapid credit recovery after you get out of debt.

Debt consolidation is an option. This credit card debt relief is achieved in one of two ways. Either you work with a consolidation company who contacts all of your creditors for you. They make the arrangement, they collect a payment from you, they disseminate the payment to your assorted creditors.

The problem with most of these companies is that they charge huge fees. Many times the first few payments just pay the consolidation company without reducing any of your debt. The calls continue, they debts remain unpaid and you feel ripped off.

The second way to consolidate debt is to take out a loan against a secured asset, like your home. There are a number of problems with this idea. You really need to consider the long term consequences. What was an unsecured credit card debt that you were having difficulty paying, is now a debt against a secured asset. Can you pay the increased mortgage? Can you pay it off quickly?

Remember the debt isn't gone, its just part of your mortgage now. Do you still have the credit cards? Will you run the credit cards back up? Will you be able to continue to pay the higher mortgage plus the increasing credit card bills? And lasly, will you just end up in the same situation in the future?

Both of these options have fairly ominous consequences.

The other option for credit card debt relief is debt negotiation and settlement. There are few negatives to this solution since you pay the debt as a part of a settlement that you have made with the creditor or collection agency.

With this method, you negotiate a settlement amount, in writing. You pay the debt following the rules of the agreement, and within the law to make sure that the debt is in fact gone forever. During the negotiation you make arrangements for what will be reported on your credit report after the debt is paid.

Settlement is made at as little as 30% of the original debt, but usually closer to 60%. This means that if you have a 10,000 dollar credit card debt, you save \$4000.00 dollars. In addition, you have a little control over how they payment is reported to the credit bureaus.

The best thing to do initially is look at the available options. Give yourself an education in the process, and then get to work on getting rid of the debt. If you looking for relief from credit card debt, the best time to start is now.