

Negotiating With Creditors – 5 Top Tips

Contributed by Cameron Daniel
Friday, 02 November 2007

You could well be surprised at how much you can actually achieve without seeking the help of a debt management company. Many people have negotiated reduced payments with their creditors, sometimes even getting them to freeze interest and charges on their debts. If you have decided to go it alone, the following article will provide you with valuable advice on how to do this successfully.

{mosbotwordcount}

You could well be surprised at how much you can actually achieve without seeking the help of a debt management company. Many people have negotiated reduced payments with their creditors, sometimes even getting them to freeze interest and charges on their debts. If you have decided to go it alone, the following article will provide you with valuable advice on how to do this successfully.

{bot_wrgoogle}When negotiating with creditors, there are a few key points to keep in mind. Follow the top 5 tips below for a better chance of negotiating successfully.

5 top tips for negotiating with creditors

1. Be polite. If you are respectful, calm and show a willingness to work with your creditors, your negotiations will be much more successful. It is good to remember that your creditors do not HAVE to accept your offer, they are under no obligation, so shouting the odds and being confrontational will get you nowhere.
2. Be honest. Explain your financial situation fully. Creditors are real people and they understand that everybody's circumstances can change at any time for various reasons. Be aware though, that your creditors will ask questions and may require proof of your change of circumstances. If you have been ill - a doctors note, if you have been made unemployed or had reduction in income - wage slips...etc. If you are honest from the outset, there is no chance of your story coming unstuck and your negotiations stalling.
3. Do not let your creditors persuade you to offer more. Before you even contact them decide exactly what you can afford and stick to it, even if they are being difficult. If you agree to pay more than you can afford, you will only run into more problems in the future when you cannot keep up the repayments.
4. Importantly, you must ask your creditors to freeze the interest on your debts. Unless they do, your debt will carry on growing, meaning you will be paying them for longer and your debt will be harder to clear. Do not presume they will do this automatically.
5. Be vigilant. Sometimes you will need to contact your creditors several times before they agree to your offer. If, after numerous attempts, you cannot get them to agree, or you just don't feel confident about negotiating with them, you can contact a debt management company who specialise in negotiating with creditors.

For more information on negotiating with creditors, debt management companies and other helpful diy debt free debt advice website.