

Consolidating Your Debts – For Good

Contributed by Cameron Daniel
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The Background

{bot_wrgoogle}Many families & individuals have a high level of debt, and for some repaying those debts can be a real struggle. It may be for a few months the debts are juggled around, cutbacks are made elsewhere & budgets are stretched in order to keep on top of repayments, but there will come a time when this leads to late or even missed payments, which in turn lead to further charges and a poor credit rating.

Consolidation Offers Hope

By consolidating your debts you can reduce the total amount you pay each month, the hassle involved in dealing with multiple creditors & even the interest rate.

Consolidating your debts simply means replacing multiple debts to multiple creditors with one new loan. This means you only have to deal with one creditor. It also means you only have one payment to make each month. Consolidation makes it a lot easier to keep on top of your debts.

Another key reason why consolidating your debts will help you get back in control is that many consolidation loans can be repaid over a longer period of time. This means that your monthly payments will also be lower. Bear in mind though, that repaying your debts over a longer period will mean you pay more in interest in the long run. This is why you should only consider consolidating if you really cannot afford to pay your debts. If you would just like some extra cash every month then going down this route will only lead to further problems as you get caught in the debt trap!

When you consolidate, you may also be able to take advantage of a better interest rate – instead of the high credit and store cards.

Consolidating – For Good!

So, now you can afford to keep on top of your debts, do not fall into the same trap as many others before you. The temptation is to think you now have more money to spend, forget about the old debt - which still exists of course, and start racking up new debt. Once you get caught in the trap of consolidating every time your debt builds up you will either end up bankrupt or at the very least be paying off these debts late into your retirement. Don't do it! Consolidate your debt and then stick to a budget while you pay off that debt. Only then can you consider yourself debt free!

If you would like more information on debt consolidation click [here](#). You can also benefit from general debt advice and guides on DIY debt help using these resources.