



PAST DUE

living debt-free!

BY VICKY TAN

Nowadays, debt has become a standard part of life. It comes in many forms including student loans, medical bills, auto loans, unpaid utilities, mortgages, money borrowed from friends and relatives, store credit and the most dreaded of them all, credit card debt. It's a part of life for almost all of us, rich or poor, but it doesn't have to be.

If you're in debt, you're not alone. No matter what kind of debt you have or how much, your life will be less stressful and more fruitful if you eliminate it.

Reducing your credit card debt is a great way to decrease your overall debt and have more control over your financial life. Credit card consolidation helps you to avoid paying higher interest on your credit card bills by negotiating a loan with a lower rate.

SOME BENEFITS OF CREDIT CARD DEBT CONSOLIDATION:

- 1 | **Pay off credit cards with a lower overall interest rate.**
- 2 | **Consolidate multiple bills into one for a more manageable payment.**
- 3 | **You may be able to get waived late fees and get back on track.**
- 4 | **You won't be harassed by phone calls from collectors.**

When you do transfer credit card balances to one account, don't close every account all at the same time, as this could

impact your credit score. Another thing to consider is making sure the account you consolidate to has a low interest rate during a long enough duration and doesn't jump up to a high rate after only a couple of months. Make sure you understand the terms of the loan and read the application carefully before signing.

GET A DEBT CONSOLIDATION LOAN

Another option for debt reduction is to get a debt consolidation loan. Instead of a credit card, this is a loan that you can use to pay off all other debts, including consolidating credit card debt. This is much like a personal loan which offers you a longer period of time to pay off your bills. Because it is spread out, the payments can be lower than all your combined credit card payments, so if you are struggling to make ends meet this could be a good option for you. If you get a personal loan with collateral, such as a second mortgage or home equity line of credit, you may be able to get a comparatively low rate of interest.

Whatever you do, when consolidating credit card debt, just make certain you don't run up new additional debt by using the cards again!



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