

The Route Out of Debt

There is no question that having some credit cards is a great way to pay for things that is more convenient and even safer than always paying cash. And it really isn't practical to pay with everything by check because so many purchases would be slowed down by that method or retailers just don't accept them like they used to.

In many cases, having a credit card is down right necessary. Any more buying gas involves using a credit card at the pump which saves time and effort. And because a credit card always delivers a report to you at the end of the month in statement, it's an easy way to keep track of how you are spending your money.

The problem comes when you spend more on the credit card than you can repay. Unfortunately, credit card companies are not there to keep you from living beyond your means. If you make your payments on time and are a responsible credit card owner, they will keep increasing your credit limit so you can charge all you want. But when the debt level on those credit cards becomes a debt you carry from month to month, that is when credit card debt can get out of control.

You don't need to be told that good financial management is the key to keeping your credit card debt problem at bay. But sometimes the bills stack up and circumstances beyond your control call on you to use that extra credit and you end up with a credit card bill that is becoming uncontrollable. That is when you have to turn to alternate methods to build a route out of debt and back to a firm financial footing.

One of the real culprits of getting out of debt to the credit cards you own are the high interest rates that are often charged to service that debt. If you have to pay 15%, 20% or more for a large credit card debt, the amount you pay in that actually brings down the principle is so small that the time when you can expect to be debt free is far into the future.

So the first step is to move that debt to a credit vehicle that is more manageable. There are a number of ways to do this using resources you may already have at your disposal. Many turn to a second mortgage on their home. By working with your mortgage company, they can advance you another loan based on the amount of equity you have in your house and that interest rate can be capped at a reasonable level so you can pay down that debt and not keep fighting that ever rising interest rate problem.

You can also look at your life insurance to see if you can draw a loan against that accumulated value. If you have been paying on it for many years, a life

insurance policy that carries value such as a whole life policy may have enough equity that you can use that money to leverage your debt and retire the credit card debt entirely. You may still have to face a regular payment to pay off the life insurance loan but it is manageable and something you can budget against which puts the control back in your hands.

A third option is to use a professional debt consolidation company. This is yet another credit resource who will be making money from the loan via interest. But this kind of agency is not a credit card company so they will just loan you enough to retire your debt and then work with you to work down that debt while living within your means otherwise.

Once you select the right route out of debt you are going to use, it's important you do not let that credit card debt climb up again. Learning good budget skills and working to keep your lifestyle within your means is crucial to not only getting out of debt but staying that way. But with good money management, a responsible debt consolidation plan working for you and a mature approach to your finances, you can see daylight on getting out of debt once and for all.

PPPPP

Word Count 711