Moving that Debt to a Better Place

Balance transfers are one of the big methods that are common used to try to get some control over an out of control credit card debt. While many balance transfer offers you get from credit card companies in the mail are not a great deal, some of them can really help if you are just trying to get the debt you are trying to keep up with under control. And getting that debt to a credit home where the interest rate is not only reasonable but not constantly changing is a big goal of making balance transfers.

There are some general guidelines you can use to pick which balance transfers to even consider in the first lace for moving your debt. It is worth your while to be a wise consumer and chose a credit agency carefully because it is a competitive market and, as with anything else, there are good guys and bad guys out there. Some guidelines to take into consideration are…

§ If you can do business with a company that you already have accounts with, that's better. Not only do you have a history of how they treat their customers, it will not affect your credit score to just use an account you already have established.

§ When moving your debt to an offer for a lower interest rate, make it is not an offer with an expiration date. Some very low interest rate offers are only for a few months which really don't do you that much good. Better take 3-4% for the life of the loan than zero percent for three months.

§ Keep your eyes open for transfer fees. These hidden charges can take all of the value out of a seemingly good offer. If they say there are no transfer charges, make sure that's the truth. Read all of the fine print of any offer whether it's from a new credit source or someone you have worked with for a while.

§ Only respond to offers you get in writing. Stay away from phone solicitors or email offers. There are more scams than respectable offers done this way.

Also keep an eye on the credit ceilings of the offers you are getting. If the offer is to use an existing credit account, you should know how much credit they can offer you and how close you are to using that credit up. But it is of no value to you to go through the trouble of arranging a balance transfer to try to capture a lower interest rate only to find that they could only accommodate a small amount of the needed funds.

The other kind of balance transfer other than just moving debt from one credit card company to another is to move funds to a secured loan. A second mortgage is a secured loan because you are putting up your home equity as collateral.

These types of loans are easier to get because you have something to put forward for it but you are taking a risk because of the security you are putting up.

Use the same sense of good common sense and examining the creditors when you choose a company to take out a secured loan. Two things you can over look that can come back to haunt you are early cancellation fees and variable interest rates. If you are putting up your home, you deserve to lock in the interest rate. And when you look at the final paperwork, look for those early pay off fees. If everything doesn't look just right, don't be afraid to get up and walk out. There are plenty of credit companies out there to deal with and you can find one who will do business fairly and honestly with you. You just have to have the patience to keep looking.

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