

Playing the "B" Card

When you are trying to get out of credit card debt, sometimes desperate times call for desperate measures. There is a progression of alternatives most people go through in trying to find ways to drive that credit card debt problem down and get it under control. At first just trying to pay them off month to month seems reasonable. But as the debts mount up, more creative measures are often tried.

It is when you take that next step of leveraging debt against debt that you know things are getting out of control. This is when you start paying off one credit card with another. Now there are reasons to do this such as moving debt from a high interest account to another that is doing business more favorably for you. But you have to watch those "deals" because often there are transfer fees or other hidden charges to sneak up on you. And if the lower rate is a "limited time offer", the advantage of the lower interest rate for a few months may not be worth the extra fees. And if that new credit card carrier then jacks your fees up higher than they were on the old creditor, you are worse off than before.

When the credit card debt then begins to become a real problem the next level starts to take advantage of your assets. You can take out a second mortgage and get a pretty good rate that is controlled because that is what they called a "secured loan" which means you are using the equity of your house as collateral to fight the credit card debt. But these kinds of loans are risky because if you did default on them, you could lose your home.

When the credit card debt begins to get serious again, even despite all these serious measures you have taken, you can get pretty panicky. And you can get resentful because there is no question that the credit card companies seem to do all they can to keep you trapped in this debt as long as they can. And why shouldn't they after all? They make a lot of money off of your credit card debt. And they don't have to do anything to keep it rolling in.

This is why when it comes to making a decision between just starting to default on the credit card debt, it might be time to pull out the stops and go after the credit card companies to put a stop to the escalating bill. But you can put a stop to it by calling them directly and not being afraid to play the ultimate card, the "B" card - bankruptcy.

Now, declaring bankruptcy has become more difficult since the current administration in charge of our government made it harder for regular folks like you and I to use this tool to stop the constant escalation of our credit debt.

But it still is possible to use bankruptcy and if you do, the credit card companies could lose all of that money. And they know it too. Now you don't want to threaten bankruptcy unless it really is a possibility for you. But if it is and you call the credit card companies and let them know this is your next step, you suddenly have all kinds of leverage with them.

Once the credit card companies know you are serious about going that route, if you tell them you would like to work out a deal to pay off some of the debt you owe, they may be very open to reducing your debt by half or more. And if you can get that kind of deal from every credit card company you owe and you can get them to lower your interest rate to make your ability to pay more reasonable, you might be able to avoid the bankruptcy entirely. And if that is the outcome, you did a good job of showing the "B" card but never having to play it.

PPPPP

Word Count 675