

Taking on Credit Card Debt

Credit card debt is the kind of thing that can go from a convenience to a cruel taskmaster in a short time. Very often the reason you may have a credit card debt problem may not be anything bad about you. It only takes a few bad breaks to drive your debt level dangerously high. Some unemployment, a few high medical or home repair bills or other unexpected expenses and before you know it, you have a big problem.

There are a lot of advertisements for credit card debt consolidation. The first word of caution we all should have about using these services is be careful. A good rule of thumb is that if they have money to advertise on television, they are going to make money off of you in some way shape or form. If you have bad credit and few resources to tap to get that problem under control, the interest rate on the debt consolidation could be just as much of a prison as the debt itself. But there are good services out there too so just shop wisely.

So it's a good idea to have a strategy for taking no credit card debt and starting to turn the corner on dealing with the problem. And part of that strategy is using the resources you have. The biggest asset you may own is your home. Now, most of us are hesitant to use our homes as collateral to get our credit levels down. But if you have a fair amount of equity in your house, it can be a tool to get a second mortgage that has a favorable interest rate that is capped so it doesn't float up and down at the whim of the lender.

A good place to start finding a good home equity loan is the lender who is handling the loan now. If the company that handles your finances now is doing a good job and doing business with you openly and fairly, you can get to them to negotiate a loan that both gives them some interest to make the loan worthwhile to them but gets your debt level under control. So if you can put all of your debt under a 30 year home equity loan at an interest rate sometimes 5-10% lower than credit cards, that frees up your budget to handle your expenses and start to see daylight on getting out of debt.

Another option for getting your credit cards under control is a credit management service. These agencies will take all of your outstanding credit card bills and work with the lenders to come up with a payment plan so they know they will get paid but the amount you have to put out is manageable by you. Again, these services will have fees but if they can at least put a fence around your rapidly expanding credit card debt situation, it might be a fee worth paying.

The important thing about you taking the first step of seeking help with your

credit card debt is that you are taking charge of the situation. Too often, we feel hopeless and develop a victim mentality when we see those debts just keep going up knowing full well that at some point the monthly payments will overwhelm us. Reaching out to skilled and qualified services that can give you back some feeling of control over your debt can be liberating to you and give you hope that there may come a time when the trap of credit card debt still holds you captive. And that will be a wonderful feeling of freedom when you finally get free and are able to live within your means again.

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