

Debt Consolidation Programs: A Dream or a Nightmare?

Debt Consolidation companies have been popping up all over the United States within the last few years. They advertise elimination of debt at a fraction of the cost that one actually owes. They promise to rid of you of your debt quickly and balk great relationships with lenders nationwide. Is this fiction or fact?

Contrary to what some may believe, these companies are not generally comprised of attorneys nor are they governed by a regulated body. Oftentimes, these companies charge individuals high fees for simply doing nothing. The ultimate premise of their enterprise is centered upon doing nothing. You ask: An industry centered upon doing nothing, how can this be? Well, in order for debt consolidation companies to have any teeth, they must be put into a position where they have the power to negotiate. This position generally does not arise until an individual's financial accounts are delinquent. In many cases, the accounts must be seriously delinquent. Even then, many debt consolidation companies will only pay off one debt at a time; meanwhile, all of the other accounts go unpaid and continue in severe delinquency.

Debt consolidation companies are masters of attractive advertising; however, few individuals successfully complete the debt consolidation process. This is due to the fact that creditors do not have to negotiate with the debt consolidation companies. Some of the nation's major lenders refuse to negotiate with any debt consolidation companies. In fact, many individuals experience judgment lawsuits and wage garnishments while actively participating in debt consolidation programs. These are two of the great snags that individuals faces while enrolled in debt consolidation programs that they never realized when agreeing to enroll.

In fact, many individuals spend thousands of dollars enrolled in debt consolidation programs that fail to provide them with the relief they originally sought: freedom from the shackles of their financial obligations. For these individuals, bankruptcy relief is a legal possibility that provides them with the relief they originally sought from debt consolidation programs: a fresh financial start.

Although some debt consolidation companies can prove some help to some individuals, the vast majority of these companies prey on the same segment of the population that they claim to be helping: those saddled with debt. The unfortunate reality is that many individuals have been victimized by predatory lending practices and are now being caught in the web of debt consolidation deception. These individuals are in vulnerable positions and are grasping at any option that will save them from financial ruin. Unfortunately, debt consolidation is often not the best option available and could turn out to be an individual's worst nightmare when they find themselves experiencing garnishment from a creditor with which their hired and well paid debt consolidation company was supposed to negotiate.

About the Author

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