

Debt Consolidation Loan Options and their Advantages

If you ever fall in debt, then you will quickly see that it is a non ending cycle that perpetuates even more debt. Also being in debt from one source can cause you to fall in debt with another source. All of this will be accentuated with unpaid bills, bounced checks, increasing finance rates and lowering of your credit score. According to a recent survey, here are some areas in which Americans seem to have accumulated debt:

- House Mortgage Payments
- Monthly Car Loan Payments
- Credit Card payments
- Unpaid Utility Bills which may have piled up
- Unpaid Medical Bills
- Bounced Checks
- Unpaid Store Bills

As you can see there are varieties of different kinds of debt that can accumulate. However, having a debt in one area will soon spread to another area like a forest fire. So if you feel that your debt is spinning out of control, then you will have to implement some steps before the problem gets worse. As a general rule, if any two of the following conditions hold true, then you should definitely seek a debt consolidation loan before it's too late.

- a) Your credit card debt is over 70% or more of your credit card total limit.
- b) Your utility bills have not been paid for two consecutive months.
- c) Your car loan payment is due for two months or more
- d) You get more than one bounced check every month
- e) You have other outstanding debts for which collectors have begun calling you

If you are experiencing some of the symptoms above, then you should definitely seek some sort of a debt consolidation loan immediately. There are mainly two types of debt consolidation loans. The most common form is a secured loan. In this type of a loan, you have to give a security (an equity) to the bank as guarantee against your loan. Usually in most cases, this security can be a second mortgage on your house. If you have finished your mortgage and if you own your house free and clear then you can always get a house loan as a debt consolidation loan. In any case, since the collateral is secured in this loan, the interest rates will be lower than usual and also this way you can get a long term loan like 10 to 20 years.

However, if you don't have a security to put up or if you are only looking for a short term loan to consolidate your debt, then you can always get an unsecured debt consolidation loan. These loans in general have higher interest rates and the terms of payment will be much shorter in duration compared to secured loan. However, they can be a serious option when you are in debt. It is relatively easy to find these loans as you can even go online to look for debt consolidation loans. You can also go to your local bank for help.

About the Author

If you are struggling with debt, then you should definitely click on [Debt Consolidation](#) or [Debt Consolidation Loan](#) today to get some advice from the experts.

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