

The different techniques of debt consolidation

As much as one tries not to fall under the shackles of owing debt it just so may happen that you are unable to keep pace with the money that you owe people. Being in debt is one of the worst diseases that can happen to anyone. It is a plague that starts eating you up from the inside because it makes you work day and night to pay off the money that you owe.

With every knock on your door you fret thinking it’s them, they’re here to collect their money and you have none. If you have found yourself in this situation more than once then know there are certain ways in which you can help yourself.

There are many financial organizations that realize that individuals are prone to fall in to too much debt and have trouble keeping up with their payments. It may be that individuals are lagging behind and need some support to pay off their debt or in some cases individuals may find themselves unable to pay at all. When the tension of thinking whether you will be able to make ends meet this month is burning you up know that you have somewhere to turn to.

The different ways to consolidate debt

Retirement Accounts

Although you may be eligible to take a loan from your employer but this should only be done as a last resort. This is because it has a lot of strings attached to it for instance if you are unable to pay it back within a time period of 5 years you will have the IRS knocking on your door. Further more the employer has the freedom to call in on the loan in full once you quit your job.

Life Insurance

Whole life insurance gives you the chance to borrow money off the cash value that the policy has. This is one of the best ways to go for a loan because there is no real time limit and you are not even obligated to return the loan if you don’t want to. Rather the amount of the loan will be deducted from the proceeds that will be paid to your beneficiaries in the case of your death.

Equity Loans

These are loans that can be used to consolidate other debts of both short and long term and it may even give you a tax reduction on a small portion of the money that you owe. There is however a downside to this form of debt consolidation and that is the fact that your short term loan is automatically transformed into a long term loan and your house becomes the collateral. This means that if you fail to make the payments in time you may lose your house as a result!

Of course there are other ways of debt consolidation. You can always ask your friends and relatives for a loan. But in today’s materialistic times money has become thicker than blood and hence this could turn into a relationship destroying ordeal. When and if you do opt for this option you should get it all in writing and make a full effort to pay them back the loan in the agreed time period. There is no slacking off when it comes to relationships.

About the Author

Use the internet to find out the different ways of [debt consolidation](#). Whether there is an [old debt](#) haunting you or a matter concerning [equity loan](#) you can find adequate help on the internet.

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