

## Popular mistakes with Debt Consolidation Loans

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Debt consolidation loans are not easily workable if you do not have a good score or a property to mortgage. If the debt consolidation loans do not provide you with enough money to cover for a major of your loans, it is not a wise deal. The loan should at least provide to chunk out at least 50% or 75% of your bad debts. A low amount from debt consolidation loans can leave you with another new loan and few more remnants of your old loans and that is really an unwise way of dealing with consolidation.

Balance transfers are popular mistakes that are assumed to serve as debt consolidation loans for a short period. It requires lot of wise moves to use balance transfers efficiently for consolidation. Only 3% of the people make good use of balance transfers for consolidation. The rest of the 97% of the people either make wrong use of these loans or double their trouble after a balance transfer by switching it in between various cards.

Debt consolidation loans that are balance transfers should be attended to with utmost caution. Before the time period for balance transfer is over, the user should device some trouble free method to repay the amount in full. Getting another loan to sort the balance transfer trouble is another way, but such an approach keeps the loan alive somewhere, with you being in charge to pay the loan amount in some way or the other. Your loans are transferred and it is not solved!

The whole purpose of debt consolidation loans is to reduce the amount you owe to someone. You must be paying the money back from your own income and not from another loan to reduce the money you owe outside. Anything otherwise is for no better. However, debt consolidation loans can be used to manage up the pricking of collection calls until you find some way to manage money from your own source.

With debt consolidation loans you get some money enough to negotiate with your credit cards against having to pay interest and other penalties in your card. Without any money there is no use negotiating, and if you are not going to negotiate a settlement your credit card defaults will be growing day by day without you spending any money in it. To put an end to such a fit, debt consolidation loans can be used to repay all of such scattered loans and you will be left with just one reasonable interest loan to be repaid.