

Published based on [Tips For Dealing With Your Debts](#)

# **Tips For Dealing With Your Debts**

With the excess lending practices of the last few decades, before the recession caught up to us, many people have found themselves in deep waters financially. After all, it's easy to spend money offered to you today that you hope to have in the future to pay back. But what if that money offered gets you so far into debt that you can't see the light at the end of the tunnel? Whom can you turn to for help with your debt?

You have several options that can help ease the burden of repayment, and each option depends on your particular circumstances. You can take matters into your own hands and deal with it yourself, you can get help from a debt management company, or you can use debt consolidation. Questions you need to ask yourself are, how far in debt are you, is it something you can handle on your own, how much are you willing to pay for help, and what kind of hit can you afford to take when it comes to your credit rating?

If you decide you can handle it on your own, you will need to contact all your creditors yourself to make payment arrangements. Many creditors, especially credit card companies, will work with you and may offer settlement arrangements that can lower the amount you owe by up to 50%. The drawback to this is that it will have a negative effect on your credit report, but less so than bankruptcy would. However, it could save you enough money to pay off other debts that would otherwise have to wait.

Debt management companies work with you to create a debt management plan (DMP) you can live with and that will satisfy your creditors. They contact your creditors for you and arrange for repayment. You will either pay them a predetermined amount each month, or deposit monies into a special account that will be used to pay your debt. Debt management companies and their fee structures vary so research the company you choose carefully. Make sure they are accredited and are in good standing with the Better Business Bureau.

A debt settlement company will work out settlement arrangements with your creditors, and can usually negotiate a better settlement than you could on your own. The drawback is that they will generally charge a fee based on your amount of debt. When choosing a debt settlement company, try to find one that does not charge fees until the end of your debt repayment, one that can stop your creditors from calling you, and one that is accredited and listed with the Better Business Bureau.

Whatever method you decide to use, take steps to keep yourself from falling into the same spending habits in the future. While a debt management company can give you financial counseling, you can easily examine your own finances and discover many ways to keep you out of debt in the future.

Now Try - [Debt Help](#)