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# Getting Out Of Debt

Being in debt is a financial state shared by tens of millions of people across the Western world, especially in the US. Before we look at the plea to "get me out of debt! ", let us first of all be aware of the various options when it comes to finding debt solutions.

A quick way to getting out of debt is by negotiating with your creditors. Most banks, especially banks, will reduce their annual percentage rates, if debtors or debt negotiation companies approach them. With today's economy, the lender would rather lower rates than risk the debtor filing bankruptcy. If the debtor files bankruptcy, the creditor may not receive any funds.

Request for late payment fees and unpaid interest to be waived especially during the recession, as lenders will be more inclined to help their customers.

Be aware of balance transfer options offered by credit card account issuers. Read the fine print, as there could be hidden fees, and other restrictions which would defeat the purpose of transferring the balance in the first place.

If your credit is already damaged, or you are making payments on time, but simply have too much debt, consider arranging settlements with creditors. A settlement is when you negotiate with your creditors or debt collectors to accept less than your balance owed as payment in full. Often, if you have had the debt for a few years, your creditor recognizes that you have already paid them a sizable sum of cash compared to the outstanding principle.

For example, say you owe a credit card account \$10,000 at 25% interest. If you have owed close to this amount for the past 4 years, you have already paid the amount of the balance in interest. Any principle payment is extra. With some heavy duty negotiating, the credit card account company may drop your amount owed to half or less if they believe that there is a reasonable chance that you will file bankruptcy and lose 100% of what you owe them.

Along with arriving at a settlement, you will also have to accept a payment plan and close the account. Getting out of debt quickly is not that difficult. By negotiating settlements with all of your creditors, you will lower your debt and with waved interest and penalties, you will lower your payments. If this is done correctly, your installments should be substantially less than 1/2 of that which you were paying before. Unless you are just hopelessly in over your head, this should be enough to help your financial boat float. Expect if this goes right not to be in debt within 2 to 5 years.

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