

Published based on [How to Become Debt Free](#)

How to Become Debt Free

Even though we try to keep on top of finances, problems with debt and insolvency can occasionally occur. This is not an uncommon problem and there are a number of options for dealing with debt including [debt help](#) and bankruptcy advice available from a range of experienced resources.

If you want to handle the debt independently then one excellent option for dealing with it is to consolidate all your individual loans and debt into one low interest debt. This can be done by placing all the debt onto one credit card or to take out a specialist loan meaning all the debt is in one place. As this option requires taking more credit, the policy should be read carefully and professional advice should be sought if you are unsure.

One option for debt help which is offered by many companies is an Individual Voluntary Agreement. This agreement means that debtors can agree a reasonable rate of repayment with their creditors as well as being protected legally against interest payments. This scheme is safe and reliable and is protected by a government act making it one of the most popular options for avoiding insolvency.

An informal equivalent to an IVA can often be utilised to reduce debt by discussing the options with the creditors directly. Although this may seem like a difficult and futile option, creditors will often prefer their clients to avoid insolvency where possible.

An even simpler way to become completely debt free is to assess your household finances to work out if there is any way to save money. By looking at your financial outgoing in detail you may be able to identify areas where money is being spent unnecessarily or you are paying too much money. It is particularly useful to assess any direct debits that you are paying as you may be unknowingly paying for services and products you no longer use.

One related tip for avoiding insolvency is to develop a budget and try to stick to it. Although this may involve limiting several aspects of your normal lifestyle it is a quick and easy way to become debt free. This may involve cutting down on non essential purchase or things such as gym memberships for a period of time.

A further useful tip for reducing debt is to get rid of any credit cards you may have, particularly if they have large credit levels or interest rates. By doing this you are reducing the chances of creating more debt or moving debt onto high interest credit cards.

There are a range of options and tips for becoming debt free and each one will be more or less suitable depending on your personal circumstances. Always remember to read any terms and conditions as well as the small print when taking out a new policy. Also, don't panic as there are always solutions for becoming debt free and there is a wide range of debt help and bankruptcy advice available if you cannot pay off your debt.

Want to find out more about [Debt Help](#), then visit Ian Fletcher's site on how to choose the best [debt solutions](#) for your needs.