

Debt Consolidation Prince George

Debt Consolidation Loans

A Debt Consolidation loan is a personal loan which lets you consolidate various other debts into one monthly payment. For example, if you have 3 credit cards, you could get a Debt Consolidation loan to be able to pay off the credit cards and eliminate your credit card debt. This way, you will only have to make one loan payment on a monthly basis instead of 3 separate credit card payments.

There are various disadvantages and advantages of acquiring this particular type of consolidation loan. The following sections will explain the necessary criteria that you will require so as to qualify for a debt consolidation loan.

The benefits of a Debt Consolidation Loan are:

Normally your debt consolidation loan will have a lower interest rate than you are currently paying on credit cards. The loan should therefore reduce your interest payments and help you eventually eliminate your credit card debt. You can likewise be able to reduce your total monthly payments with a refinance, the extended terms or debt consolidation loan can provide as well as the lower interest rates.

Replacing several monthly payments into one payment is a good thing. This would make paying household bills a lot easier bringing some energy and time savings. Since the loan interest rates are usually a lot lower, you can apply more money from one monthly payment directly to the principal and get out of debt a lot faster than just making the minimum payment on various other credit cards et cetera.

Am I Qualified for a Debt Consolidation Loan?

To be able to be qualified for a Debt Consolidation loan, you have to meet the following criteria: You should be working or have some source of income in order to allow you to repay the loan. The banks calculate your ability to service a debt according to your salary. It is essential to bring your most recent pay stubs and the previous year's tax return to the lender or the bank when applying for the loan. The bank will require a copy of your monthly finances in order to determine if you would be able to meet your loan payments. Lastly, you may need some collateral such as a house or a car or possibly even someone to co-sign to be able to satisfy the prerequisites set up by the lending institution for debt consolidated loans and refinance.