

## Eliminating Debt Secrets Exposed, The Pros and Cons

*A few options of becoming debt free, the pros and cons.*

**April 7, 2008** - [PRLog](#) -- Does it seem like your credit cards go up on interest each month and each time you pay the minimum payments it doesn't ever seem to go anywhere? It's a familiar feeling for most of us nowadays. Sometimes, though, like most things in life, grabbing your debt by the horns and facing it dead on can make a huge difference on the big picture. While there are only a few ways to become debt free, let's look at the different options.

### **Credit Counseling**

Credit counselors are in fact hired by the credit card companies to try and help alleviate the interest not the principal balance. Being in a credit counseling program will simulate what most lenders refer to as a "walking bankruptcy" and will be on your credit report that you are in some sort of credit counseling program. Credit counseling will help you become debt free in about 7-9 years versus over 20 years by just paying the minimums.

### **Debt Consolidation**

Consolidating debt may be the most common option to eliminating debt, although it's not eliminating debt but merely putting a "band-aid" over the situation and may help alleviate the interest rate in some cases. This option may also be the most dangerous considering most consumers' use the equity in their home to pay off debts. It is a known fact that 80% of Americans will charge their unsecured debt back within 2 years, thus causing possible foreclosure for the consumer.

### **Bankruptcy**

This option should really only be used as a last resort, after the bankruptcy reform laws of Oct '05, it has become extremely difficult to file bankruptcy. Not to mention that a bankruptcy will stay on your credit report for 7-10 years and in public records for up to 20 years, in some cases making it difficult to qualify for a good paying job. With bankruptcy, consumers in most cases will pay back 100% of the debt and go through a very exhausting process

### **Debt Settlement**

As being one of the best alternatives to bankruptcy, debt settlement will help alleviate financial stress very quickly. Most debt settlement companies will consolidate all unsecured debts form one monthly payment. Although most settlement companies do not report to credit bureaus, these programs may have an impact on credit depending on the current situation. Most companies, in most cases, will reduce debts by up 50% and help people become debt usually anywhere around 12-48 months.

*Vision Debt*, a premier debt settlement company and members of the Better Business Bureau, is now offering a free debt analysis to any consumers looking to find financial freedom. To obtain a consultation, consumers may visit [VisionDebt.com](http://VisionDebt.com) or call the *Vision Debt* hotline at 1-877-501-DEBT.

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Country          United States  
Industry         [Business](#)  
Tags             [Debt Secrets](#), [Eliminate Debt](#), [Credit counseling](#), [Bankruptcy](#), [Debt Consolidation](#), [Reduce Debt](#),  
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