

United Communications Addressed the Effect of Debt Settlement on Your Credit

By United Communications

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Anything you do to try and resolve your debt through a debt resolution program will have some effect on your credit. Short of meeting at least your minimum monthly payment in a timely manner every month, will affect your credit in some way. What you want to do is choose a solution that will affect your credit the least and for the shortest period of time.

Bankruptcy has the most negative effect on your credit. Bankruptcy appears on your credit report for 10 years and should be considered only as a last resort. If you file a Chapter 13 bankruptcy you may find yourself in a situation where you have something arise that precludes you from making your monthly payment, at which time you will find yourself in an even more difficult situation that you started with. Often times, consumers file bankruptcy simply because they can no longer handle the harrasing creditor phone calls, and simply wish to find a means to an end. Again, Bankruptcy should be only considered if no other option is viable for you.

Credit Counseling or Debt Management programs assist consumers by arranging one monthly payment to a debt counseling company. That company then distributes the funds accordingly to each of your creditors after negotiating a lower interest rate on your behalf. The major flaw with this type of program is that the Credit Counseling agency may not have the consumer's best interest at heart as they receive a majority of their income from the agencies you owe money to in the form of a "kickback". How can a Consumer Credit Counseling agency properly represent the client's best interest when they rely on the income from the credit card agencies you owe?

Debt consolidation is another option oftentimes considered by consumers in an attempt to lower their interest rates from the high interest credit cards by consolidating their multiple accounts into one monthly payment. The problem is that most consumers face the fact that if they have fallen behind with their debt, finding someone to loan you money at a low enough interest rate to make a difference isn't always possible. In addition, you will then be trading unsecured debt which are secured only by your signature for a secured debt which is generally backed by your home. What that may mean is that if your find yourself having financial problems again, you may find them foreclosing on your home! Most consumers go into trouble by borrowing money, do you really think borrowing MORE money will solve your problem, or will it place your futher in debt, and possibly get you into trouble?

Debt Settlement is another option, and a more feasible solution for most consumers. Although your payments to your creditors will reflect that you have fallen 90 to 120 days late until that debt is settled, after the debt is settled your account will relect as paid with a ZERO balance. As more of your accounts are settled, your debt to income ratio will rise, possibly to a level even better than it was before. Now in the future, whenever you apply for credit, creditors are going to look for two things. One is whether or not you have addressed your debts, and two, if there is a balance is owed. Both of these issues are addressed when you settle your debts through our program. Additionally, a debt settlement program acknowledges that "life happens" and we are able to skip a month, the only thing that will happen is that the program may take a

little longer to complete. Real-world flexibility exists with debt settlement, unlike debt consolidation, credit counselling or Chapter 13 Bankruptcy where missing a payment can be irreversible.

At United Communications we pride ourselves on assisting clients in making an informed decision as to the best solution for them. We will provide you with straight forward honest answers. We offer a debt settlement program you control, by allowing you to maintain control over your money, and the ability to view your account online to make sure we are doing the job you've hired us to do for you. Visit us on the web at www.unitedllc.net, or call to determine if debt settlement is the right option for you.

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Today's economy has more and more consumers looking for assistance with their unsecured debt. United Communications Debt Settlement Program is assisting people just like you who have the desire to get out from under the overwhelming stress of their debt.

Category	Finance, Family
Tags	debt settlement, debt help, debt negotiation, debt relief, credit card debt, debt, united communications
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