Avoid Debt Consolidation

How it works and a guide on things to avoid.

Simplify™

What is Debt Consolidation?

Debt consolidation is a debt restructuring process that involves combining all your loans into one existing loan. It's offered as a 'simpler' and 'easier' to manage loan with one lower repayment and rate.

Things to consider first.

Length Extended terms means extended payments, you'll be in debt longer

Rate Low interest rates are usually promotional and rates can increase

Repayments Lower repayments almost certainly means you'll pay more

Banks want you to be in debt longer and when you consolidate you will be starting again. Finally, **you can also be charged establishment and exit fees**.

Separate vs Consolidated

THE TRUTH ABOUT DEBT CONSOLIDATION

Separate			Consolidated
$10,000	$20,000	Amount	$30,000 Combined loans
12%	10%	Interest Rate	9%
$517	$583	Monthly Payment	$640
$1,100		Total Monthly Payment	$640
$34,821 in 41 months		Total Cost & Time	**$37,103 in 58 months**

That's $2,282 more and another year of being in debt

Don't pay more!