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Avoid Home Foreclosure

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Every day, more and more homeowners are finding themselves facing foreclosure as they struggle to pay their mortgage each month. In times of financial crisis or panic, many people believe filing for bankruptcy protection is their only choice. But if you find yourself in a similar situation, there are other options you will want to consider before bankruptcy.

Seek Help Through Consumer Credit Counseling

For instance, you can avoid home foreclosure through consumer credit counseling. When choosing a credit counseling agency, it is important to consider a non-profit agency that will put your needs first rather than simply turning a profit off of your financial struggles.

After gathering the necessary financial information, a credit counselor will analyze your current situation in order to come up with an appropriate solution. One such solution might be to prepare an individualized debt management program for you to follow. Through a debt management program, a credit counselor will work as an intermediary between you and your creditors. Your counselor will work on your behalf to help lower interest rates, waive late fees, reduce monthly payments, and even work out an entirely new payment schedule. Because non-profit credit counselors have a good working relationship with most creditors, those creditors are usually very willing to agree to new payment terms. A debt management plan also still means that lenders will receive payment rather than taking a loss on the money theyâ€™ve lent you if you file for bankruptcy.

Debt Management Plans

Under a debt management plan, you are able to consolidate your debts and make only one monthly payment to your credit counseling agency who, in turn, disperses payments to your creditors each month. Regular debt management payments can eventually improve your credit score, as your credit counselor will be more likely to work with your creditors to give you a fresh start on your credit rating.

Many people under financial stress tend to avoid paying their bills, but avoidance will always do more harm than good. Making one monthly payment to a credit counseling agency will help keep your bills current and in good standing, therefore helping you avoid foreclosure.

Remember: A bank will typically allow only three missed payments before sending your home into foreclosure. Whether you have already missed more than one payment, or at risk of missing even just one payment, consider contacting a non-profit credit counseling agency today in order to come up with a plan to help you avoid home foreclosure and manage your money to put you on the path to a more secure financial future for you and your family.

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The author has an immense knowledge on a home foreclosure. Know more about a debt management program related info in his website.

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