How to Manage Your Debt

All of us have to manage our finances especially when we are in debt. If you

Only have a small debt, you have to keep up your monthly payments and

Make sure you are not late. Otherwise, when you owe too much money,

You have to put extra effort into paying off your debt while juggling

Payments on the debts you’re not paying right now.

How much you owe? Who do you owe?

List your debts, creditors, total amounts of the debts, monthly payments,

And debts due dates. Print the debt list and check it out often, especially

As you pay them. Update your list every month as the amount of your debt

Changes.

Pay your monthly bills on time.

If you pay late, it is harder to pay off your debt because you have to pay

Late fees. If you miss two payments in a row, your interest rate and finance

Charges will change. Set up payment electronically a few days before due

Dates among with an alert payment due date system connecting to your

Calendar or smart phone. If you forgot a payment, don’t wait until the next

Due date to pay, by then it could be reported to a credit agency.

Send your payment as soon as you found out.

Make a monthly bill calendar for your payments.

Use a calendar to help you figure out which bills to pay with which

Paycheck. On the calendar, write each bill’s due date and amount. Then,

Mark the date of each paycheck. If you are getting paid on the same days

Each month, then use the same calendar from month to month. But, if you

get paid on different days, use a different calendar for each month.

Try to pay more than the minimum payment,

If you can not to pay more, at least make the minimum payment. As you

Know, the minimum payment does not reduce your debt. However, it dos

Not let it grow. If you miss payments, it is much harder to catch up and

Your accounts could go to default.

Which debts to pay off first.

Credit cards are usually the best to pay off first. You should pay off the

the highest interest rate credit card first. You can mark your list of debts

To decide which ones to pay off first. Sometime the lower balances card

Maybe easier to pay off.

Collections and charge-offs payments

When you don't have enough money to pay all of your debts for repaying

Debt, pay the good standing accounts first. Don’t risk your positive

Accounts for those who already affected your credit. So, pay those past

Due accounts when you can. But know that the collection efforts will

Continue as long as you owe.

Use an emergency saving to relay on.

Without emergency savings, you’d have to go more into debt to cover an

Emergency expense. Even a little emergency saving will cover small

Expenses that come up every now and then. Try to make a $1,000

Emergency saving. Once you did that, try to build a bigger emergency

saving, like $2,000. On time, try to save at least for 6 month of living

Expenses.

Create a monthly budget for your expenses.

Having a budget helps you to plan to have enough money to cover all

Your monthly expenses. Plan in advance and you can take early

Action if it seems you will not have enough funds to cover your

Bills this month or next. With a budget you can plan to pay off

Your debts faster if you have any extra money left after expenses.

If it is hard for you to pay your debt and other monthly bills, you may

Have to get help from a debt relief company (credit counseling

Agency ).

There are other options for debt relief like:

Debt consolidation,

Debt settlement and Bankruptcy.

These all have consequences, advantages and disadvantages so study your options carefully. For example on debt settlements there are tax consequences.