

Credit Repair

Each debt consolidation is different from the others with regard to services and business terms. Most of them will provide you with assistance to pay your bills thereby cleaning up your credit history. There are some that have no intention whatsoever of helping you out of your current situation and are just out to defraud you off your money. It is your duty to protect yourself from such companies by comparing each company based on their promises and services.

Non-profit Versus For-profit - Do not be fooled by a company claiming that it is non-profit, therefore it is legit. The only thing separating non-profit and for-profit statuses is their tax forms. This is not to say that all non-profit companies are fraudulent, many of them contact your creditors and pay them a lump sum in order to significantly lower the fees passed onto you. These legitimate companies will work with people with poor credit ratings and help to substantially lower their debt.

For-profit companies that are true to their advertisements lean toward customers who still maintain a good/fair credit rating, but find themselves consumed by their current financial status. Both non-profit and for-profit companies that are legitimate facilitate a reduction in interest rates, ease of monthly payments, and provide similar service rates to the consumer.

For people with a good credit rating, but who are still struggling with their bill payments there are many legitimate for-profit debt consolidation companies, which charge comparable rates. Just like the common non-profit companies, these companies will help to reduce the interest rates charged on your unsecured loan relieving you the payment burden.

Every agency that goes to a single creditor should come up with a similar interest rate on the balance, with small variances. Any quite that varies far from the others, up or down should be a red flag.

Services Provided - Every debt consolidation company has additional services that they should provide to you such as closing out old accounts, deleting or lowering late fees, and lowering percentage rates on the balance. If a company does not offer information on these services, you should be bleary about their motives.

You should also avoid companies that offer bankruptcy and debt settlement as an option. A good company doing its job right should not offer these credit-damaging services. You should also research on the best company there is to avoid disappointments later on.

About the Author

Susan Reynolds is the webmaster for a leading South African [Debt Consolidation Portal](http://www.debtconsolidation123.co.za/). For more information visit: <http://www.debtconsolidation123.co.za/>

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