Financial Guide:

IS DEBT CONSOLIDATION RIGHT FOR YOU?

Debt consolidation can be a game-changer for those juggling multiple payments, but it's not the right solution for everyone. This guide will help you determine whether consolidating your debt is the right move for your financial goals.

What Is Debt Consolidation?

Debt consolidation involves combining multiple debts into a single loan, often at a lower interest rate. This simplifies payments and can help reduce the overall cost of your debt.

When Debt Consolidation Might Be Right for You

1. *You're Paying High-Interest Rates:* If your credit cards or other debts have high interest rates, consolidating them into a lower-rate loan can save you money.
2. *You Struggle to Keep Up with Payments:* Managing several due dates can be stressful. Consolidation simplifies your finances with just one payment each month.
3. *You Have a Steady Income:* You'll need a reliable income to qualify for a consolidation loan, showing lenders you can handle the payments.
4. *You're Committed to Avoiding New Debt:* Consolidation works best when paired with disciplined financial habits. It's important to avoid racking up new debt after consolidating.

When Debt Consolidation Might Not Be Right for You

1. *Your Debt Is Minimal:* If your debt is small enough to pay off quickly, you may not need a consolidation loan.
2. *You Have Poor Credit:* Low credit scores may prevent you from securing a loan with favorable terms. Focusing on improving your credit might be a better first step.
3. *You're Not Ready for a Budget:* Without a solid plan to manage your finances, consolidation might only provide temporary relief.

HOW TO DECIDE

The best way to determine if debt consolidation is right for you is to consult with a financial expert. At Friendship State Bank, our lenders take the time to understand your unique situation and recommend solutions tailored to your needs.

SCAN TO REQUEST
A CALL BACK

Or Call Us Now at 812-667-5101