

Using a Personal Loan to Consolidate Your Debt From Personal Lending Group

If you have multiple credit cards with different interest rate and balances, you may consider consolidating your balances with a [Personal Lending Group Reviews](#). By using a personal loan to consolidate your credit card debt, you combine your balances under a single loan with a fixed interest rate. This allows you to make just one payment toward your debt each month and can help you pay off your debt faster than if you left your balances on multiple credit cards.

Decide How Much You Need to Borrow

Start by adding up all your existing credit card balances to figure out the size of the loan you'll need. Your credit card statement and your credit report can help you take inventory of your credit cards and verify the balances on each credit card. Keep in mind that your credit history and income will impact the amount you can borrow.

Know the Benefits of Consolidating

Consolidating your debt with a personal loan will allow you to pay off your debt faster than if you made the minimum payment on your credit cards. Keep in mind that consolidating may also mean that you have a higher monthly payment on your personal loan than you would if you were making minimum payments on your credit card. The trade off is that you pay less interest overall by consolidating your debt and pay off your debt much faster.

Look for a Good Interest Rate

When you're shopping for a loan, it's important to choose a loan with a competitive interest rate. Compare the interest rate on the personal loan you're considering with the average interest rates on your credit card. If your credit doesn't allow you to qualify for a loan with a lower interest rate, you may be better off leaving your credit card balance on the credit card rather than trying to consolidate with a personal loan.

Make Sure You Can Afford the Payment

Since there's a good chance that the monthly payment on your personal loan will be higher than the combined monthly payment on your credit cards, it's important that you assess your finances to be sure you can afford the monthly loan payments before you agree to the loan. It's not worth it to accept the loan and then struggle to make the payments each month.

Be Cautious About Getting Back Into Debt

Be careful how you treat your credit cards after you consolidate the balances with a personal loan. You may be tempted to make purchases with your newly freed credit lines, but doing this puts you at risk of getting back into credit card debt. If you run up your balances again you may not have the option of consolidating with another personal loan and you create more financial pressure by having to pay your personal loan as well as your credit card. It's better to close your credit cards and remove the temptation to max them out again.

