



Debt consolidation

Positives

- possible cheaper interest rate
- spread load of weekly or monthly commitment
- one payment instead of several
- due date suitable to pay period
- reduces the monthly/weekly payment
- fewer creditors
- changing rate from variable to fixed
- going from revolving credit ie. credit cards to fixed term loan

Negatives

- may not benefit from cheaper rates
- overall greater expense because payment spread over longer time, higher total cost
- could free up credit to be used to finance an addiction
- paying out credit cards provides an opportunity to abuse card again
- history of consolidation may affect future loan applications
- institution asking for more security
- incurring the debt of your partner

DISCLAIMER: The information provided in this information sheet is of a general nature only, and is not intended to be legal advice. There may be errors or inaccuracies or the information may not be completely up-to-date. Always check the information provided before relying on it. The information relates to consumer law in New South Wales, Australia.