



# **7 Effective Ways to Control Your Debt**

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## **Stop Using Your Credit Cards By Hiding Them!**

Put them somewhere where they will not tempt you. You may consider keeping at least one card for emergency purposes. Additionally, with poor credit, you may find it more difficult to get a credit card in the future. If you keep at least one account open, then you won't have to worry about applying. One tip, put your credit cards in a zip lock bag, put the zip lock in a container of water and place the container in your freezer. Not only will the cards not be tampered with, you won't be able to use them on impulse!

## **Take a Look at Yourself in the Mirror and Ask Yourself...**

Are you true to yourself? Taking a good hard look at your financial situation, particularly if it isn't good, can be very difficult. Yet, to get out debt you have to fully understand what the situation is.

## **Check Your Credit Card Statements for Any Errors**

Believe it or not, up to 40% of all credit reports have errors in them. If you find that your credit report shows something that is not true, you need to write to them with all the details. Be sure to use certified mail so that you can keep track of who you wrote to, when you wrote, and who received the mail on the credit bureau's end. Then ask the credit bureau to send a corrected report to anyone who has requested a report on you in the last 6 months.

## **Find Omissions**

By law, you are allowed to add information to your report that you believe will help your rating. This might be additional information about a repayment of a

loan, good credit you have with companies that do not report to the credit bureau, or salary increases.

## **Devise a Plan**

Whether you determine to pay your bills down little at a time, take a second job, go to credit counseling, or file bankruptcy, you need to make a plan and stick to it. In order for your credit to be improved, you have to have a plan and then take action!

## **Don't Run From Creditors and Talk with Them**

Creditors want their money. They do not want you to default (quit paying). In fact, most creditors will work with you to get a reduced payment schedule. If you can keep them from reporting you to the credit bureau, then it won't hurt your credit. The catch here is this: be sure to stick to the new negotiated plan - they won't renegotiate if you fail to comply.

## **Have Patience**

Have you ever heard the saying 'time heals all wounds'? It also heals your credit. After 7 years, most items will be dropped. This is good news if you are working to correct your credit. As each year passes, more and more bad items will drop off and more and more good items will be included. Eventually, the disease will be cured.