Consolidating Debt - Set Yourself up for Success

With many Canadians carrying an increasing amount of high-interest debt, how best to manage one's borrowing costs is a concern for many. It can make a sense to consolidate higher interest credit card debt and pay this off with funds secured through mortgage financing.

Debt consolidation can offer a simple way to better manange your borrowing costs. With a lower interest rate on a refinanced mortgage, some borrowers decide on a lower monthly payment to improve their cash flow, while others decide to increase their payments and pay off the loan sooner, saving them money over the long term.

A well thought-out debt consolidation plan can set you up for success, because at the end of the amortization period, your total debt is zero. With revolving credit – such as credit cards- you may be paying a lot in interest without ever paying down the principal. You will also be successful in maintaining a strong credit bureau, making it easy to start building your wealth in other areas.

You can be surprised to learn how much you can save with a right debt consolidation strategy. An experienced mortgage consultant can offer expert advice on smart ways to manage your debt and advise you on how to use the equity in your home to reduce the interest paid on debt drastically. You can borrow up to 80% of your home's value with a conventional mortgage, or refinance up to 95% with an insured mortgage. With this sort of consolidation, you gain more control over interest costs, leaving you with more money at the end of the month.

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