

Getting Out From Under The Debt Pile

(NAPS)—If you're like most Americans, you're in debt. And you probably don't realize the extent of it or even how it affects decision making when you apply for a credit card, mortgage, car loan or even a new job.

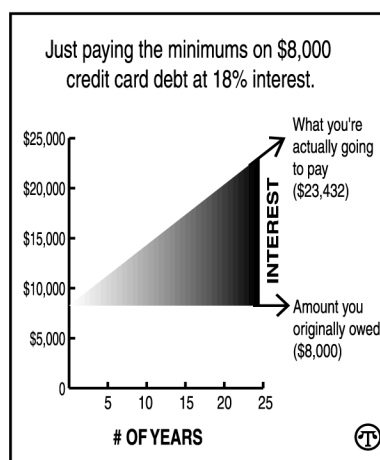
Consider these statistics:

- In the United States, the average balance on a credit card is \$7,000
- The average interest rate is 18.9%
- Late fees are now \$29, if not received by the stated due date
- The average household has 10 credit cards
- Almost half the households in the U.S. report having problems paying their minimums
- If you have a credit card balance of \$8,000 and you make the monthly payment at 18 percent interest, it will take you 25 years, 7 months to pay the debt off—and you will pay an extra \$15,432 in interest, making your total \$23,432.

“One of the major reasons consumers get deeper and deeper into debt is because they only make minimum payments on their credit cards,” says Laurie Edwards of iPlace.com, one of the nation's premier personal information Web sites. “The irony is that most people shop for the best price. When they pay for that best-priced item with their credit card and only pay the card's monthly minimums, they wind up paying two to three times the cost of the product they originally purchased—at the ‘best price.’”

Edwards advises consumers to shop for the very best credit card deals with long-term low interest rates and pay off as much of the whole balance on their cards as possible.

Financial companies have made it easier for consumers to check and monitor their personal credit so that they can build stronger credit profiles. At iPlace.com, consumers can access their credit report instantly online instead of having to wait for it to come in the mail.



Just paying the minimum on a credit card can be a mistake, adding more than \$15,000 to credit card debt of \$8,000.

What's more, other sites offer additional credit tools to build better credit. On Consumerinfo.com, a leading personal finance Web site, consumers can access a credit monitoring service that allows them to see changes to their credit profile, which also helps them protect themselves from identity theft. QSpace.com offers a credit score tool which shows consumers how they are being ranked when being considered for credit cards, mortgages, loans and more. The site also offers a free credit evaluator function.

Edwards advises consumers to build better credit by first accessing their credit report and checking for inaccuracies. Further, she advises consumers to look for problem areas and try to get them resolved. In addition, because companies also look at potential, or unused credit, she advises consumers to cancel cards they aren't using.

When a consumer cancels a card, she says, it is not a negative. It is only when a creditor cancels a card that it becomes a negative. Last, paying off credit card debt as quickly as possible is crucial to keeping consumers free from the burden of debt.