

Street Smarts

Debt Ahead? 10 Tell-Tale Signs

While there's both "good" and "bad" debt, the average American household with one credit card or more has nearly \$9,200 in credit card (bad) debt, with an average interest rate hovering in the mid- to high-teens.



Make 2% minimum payments each month and this debt (at 19%) would take well over eight years to pay off – and that's without making any new purchases.

Make a couple of late payments and credit card companies will have no problem tacking on late fees and a penalty "default" interest rate of up to 42.99% or more!

Don't let this happen to you. If credit card debt is choking your finances, consider a mortgage refinance. Not only are mortgage rates usually lower than that of other debt, qualified interest on your mortgage is tax deductible.

With a little discipline, many borrowers can greatly benefit from this strategy if they have the right mortgage professional on their team.

How do you know if your bad debt is getting out of control and it's time to take action? Following are 10 major signals that you're in serious credit card trouble:

1. Your credit card statements surprise you.
2. You make only the minimum payments required.
3. You're thinking about selling your car to get cash.
4. You don't know how much you owe, what your interest rate is, or what's on your credit report.
5. You have no budget.
6. One or more of your credit cards is maxed out.
7. You use credit cards for purchases at convenience stores or fast food places.
8. You let some bills wait until your next paycheck.
9. You've applied for more credit cards.
10. You're still paying bills from last year's holiday season while planning for this one.

If you recognize any of these signs of debt, don't wait until you're completely buried. Call us and find out if a mortgage refinance could benefit your financial goals and needs.

