

# DEBT CONSOLIDATION FACTSHEET

## WHAT IS DEBT CONSOLIDATION?

Debt Consolidation is a way of reorganising or clearing your debts by means of obtaining a loan to pay them off. In a loan, you are replacing credit with another form of credit. You can do this by obtaining a loan that is unsecured or secured against an asset. Before obtaining a loan you should seek independent advice about whether this would be in your best interests.

You need to consider if you will be able to manage the loan repayments for the term of the loan and you should shop around for the best deal from high street and internet lenders. If you have a poor credit rating you may not be able to get a loan, or you may only be entitled to a high interest loan which could further aggravate your financial situation.

A consolidation loan will only help if:

- You can afford the repayments.
- It is used to pay some or all of your existing debts.
- The repayments on the new loan are no more than the amount you are paying towards your existing debts.

If none of the above applies, then it is likely the new loan will simply add to your debt burden and make your problems worse.

You will also need to look carefully at:

- How long the loan will take to repay.
- What interest you are going to pay compared with what you are currently paying on your debts.
- What penalties or charges there are, for example if you miss a payment.

## DO NATIONAL DEBT RELIEF OFFER DEBT CONSOLIDATION?

We do not offer Debt Consolidation Loans as a solution for addressing your debts.

We are happy to assess your situation and provide you with advice on your debts and inform you of what solutions might be suitable for you. It is then up to you to decide what you feel is your best course of action for addressing your debts.

If you think Debt Consolidation is your best option, it is entirely up to you to source your own loan.

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### ADVANTAGES

- All current repayments on credit cards and loans are converted into 1 monthly payment that is generally easier to manage and keep track of.
- Interest rates can be usually lower, so you may have a more affordable payment.
- Less pressure and harassment from dealing with multiple creditors.
- In the long run you may save money and you will have a date when the loan will be paid off if you keep to your repayments.
- Could help your credit rating as you will be less likely to default.

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### DISADVANTAGES

- Don't be fooled into thinking you have cleared your debts. You have just shifted the debt to a different payment plan.
- Be wary of interest rates. Try to get a fixed rate if you want a payment that doesn't change.
- Debts will be repaid over a longer period of time than if contractual payments were made.
- Fees may be payable to arrange the new loan.
- If you have a poor credit rating you may have a higher rate of interest to pay which can mean it is less affordable. Another debt solution may be better for you.
- If you get into difficulties making the new payments it can be harder to deal with only one creditor if you are then looking at a debt solution for example.



Contacting NDR is without a doubt one of the best things I have ever done. From my very first phone call every single person I have spoken to has been so lovely to me and has made this whole process so much easier with their amazing kindness. They have never made me feel embarrassed or judged for the situation I had got myself into. I really urge anyone who is struggling with debt to make the phone call to NDR. It has changed my life for the better.

I was at a point where I could no longer afford my repayments because they had got so out of hand. NDR only encouraged me to make payments that I can definitely afford and now I am half way through my plan and am still able to enjoy nice things in my life.

Leah | TrustPilot



**ndr**  
nationaldebtrelief

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National Debt Relief is authorised and regulated by the Financial Conduct Authority. Financial Conduct Authority Number : 671114

A fee is only payable where further services are requested. All fees will be explained in detail and discussed prior to commencement of any debt repayment plan. Repaying debt over a longer period may increase the total amount to be repaid. Creditors must deal with us for all aspects relating to your debt, but may still contact you with promotions.

Phonecalls: Calls from a landline are normally free. Please consult your provider if you are unsure. Calls from a mobile may be subject to charges.

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