Sabres Capital Issues Debt Consolidation Loan and Credit Score Report for October 2021

Sabres Capital Guides Consumers On The Pros and Cons of Debt Consolidation

Sabres Capital

Sabres Capital Review

HOUSTON, TX, USA, October 4, 2021 /EINPresswire.com/ -- Sabres Capital has issued a report which is essentially a guide to debt consolidation, debt relief, and how to get out of credit card debt.

Sabres Capital Debt Consolidation 101

The concept may seem complicated, and rightly so. Being aware of financial concepts and the finance logo is not everyone's cup of tea. So, let's put it in simple and easy to comprehend words. Debt consolidation is the merging of several debts that have high rates of interest attached to them into one with a lower rate of interest. This does not get rid of your debt entirely, it just reduces the number of creditors you have, helping you pay off your debt once and for all. This method of debt refinancing is often praised for helping you improve your financial position, but it does come with a list of risks that you should be aware of.

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Sabres Capital Debt Consolidation Specifics

According to Sabres Capital on credit score, there is a significant link between debt consolidation and the former. To get all your debt consolidated into one, you need to have a pretty high credit score. How high? Well, over 690 points. A higher score indicates a higher chance of acquiring debt consolidation at a lower rate of interest.

How Debt Consolidation Can Take Place

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Sabres Capital Debt Consolidation

1. Debt Consolidation Via A Balance Transfer
This is the most common approach. Here no prepayment penalty needs to be paid. Also, it can offer a lower rate of interest if you have a decent credit score. The payment procedures are flexible as well. But, there is a time limit that is set here. Failure to pay off the debt within the decided time frame can result in a higher interest rate. In addition, this option leads to higher credit utilization, in turn pulling down your credit score.

2. Debt Consolidation Via A Personal Loan
Let's talk about the benefits here first. The pros extend from requiring a lower credit score to begin with to combining several payments into one. This makes your financial position a lot less stressful. In addition, your credit utilization is also lowered, improving your credit by lowering the amount you're using. Thus, a healthy credit mix is sure to be the final result here. On the other hand, this method can damage your credit score if you are unable to make timely payments. You may also have to pay a prepayment penalty and end up using more available space on your credit card. Thus piling up your debt even more.

Protecting Your Credit Score

Whichever option you go for, there will be some harm done to your credit score. However, there are ways to do damage control. You can pull up your credit score by following the right tips. Here are some of them.

• Stay vigilant about your credit card reports. Be sure to check them often and report any errors or unfamiliar transactions.
• Avoid large purchases on credit such as buying a car or luxury item. Instead, opt for personal loans that can be paid off in installments.
• Set up an automatic payment option on your credit card to ensure timely payments. You don’t want to overextend your payment or forget to pay off any amount.
• Set a budget. Try to keep your expenses minimal for a while till your debt has been paid off. Only spend on products and services that are essential and try to save up as much as you can.

The Alternative Approach

If you’ve lost all hope by now because your credit score is at high risk, then there is another way out – there always is. Some other options that are there on the table are as follows:

• Home equity loan – this is usually reported as a revolving account. But a credit check here is to reach your mail as well.
• Debt management plan – this option is always recommended by financial advisors. It has minimal effect on your credit score and helps you plan out a strategic and systematic way of paying off your debts.
• 401(k) loan – this does not show up on your credit report, making it a safe bet, However, you might lose out on your home if you are unable to pay this loan back.
• Debt Settlement – when you're out of all options, this is the last straw. When you have not been able to qualify for debt consolidation or are not willing to declare bankruptcy, then you can reduce your overall debt by negotiating with your creditors for forgiveness. Here too a higher credit score ensures a greater chance of settlement combined with a lower fee.

Wrapping It Up

So, now that you have a better understanding of what debt consolidation is and what it can do to your credit score, you can pull out your credit card report and do the math. If needed, you can reach out to your financial advisor or bank representative for further guidance. They are sure to offer the best advice as per your current credit score and financial position. But remember, think long-term and weigh out the pros and cons. What may work for others may not work for you, thus being prudent and making a calculated decision here matters.

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