

Unmanageable Debt

As the British pound has fallen, as well as having unemployment skyrocket and debts mounting, Britons have had more and more concerns about their [debt management](#) issues. When you find yourself with an unmanageable amount of debt, there are several approaches and techniques you can pursue to try to limit the amount of damage it does to your future.

First of all, ask yourself what kind of debt you hold. Do you have a huge amount on credit cards? Do you owe it on your home or car? Is it in the form of student loans? Knowing what kind, and how much of each type of loan will make it easier for you to create a budget and negotiate debts, if it comes to that point.

First, chart out your estimated payments. Be sure that you truly can't afford to make these payments. Cut out unneeded expenses and try to pay off the debt first, as it's the easiest way to attack your debt load. After this point, document your expenses and approach lenders which may be willing to negotiate terms. If you own a business for example, many of the suppliers to companies realize times are rough and are willing to negotiate on the financing and timing of payments. This can help save at your bottom line.

You may want to consider approaching family, depending on your situation. While no one likes to do this, it is understandable in some situations. They know that times are tough and if you are unemployed for example, you can bounce back and pay them back at a later date. At this point you could also seek out debt advice from a professional. There are several non-profit companies that aim to help you talk to creditors and they are able to put more pressure on them to change the terms of the debt. Beware, however, that at this point your credit score can be affected and you may find it harder to secure loans at future dates once you take this action.

If your finances are in such bad shape that non-profits cannot help you substantially, then bankruptcy may be the final solution. As we mentioned before, you must be able to prove that you are unable to pay your debts when applying for bankruptcy. You are able to apply for bankruptcy yourself by presenting a bankruptcy form to the county court where you live, or the high court in London. At this point, your credit will be severely affected; however, you will still be able to wipe the slate clean and eventually land back on your feet.

About the Author

As the British pound has fallen, as well as having unemployment skyrocket and debts mounting, Britons have had more and more concerns about their [debt management](#) issues. When you find yourself with an unmanageable amount of debt, there are several approaches and techniques you can pursue to try to limit the amount of damage it does to your future.

Source: <http://articles.peuan.com>