



CONSUMER CREDIT NATIONWIDE

1-800 DEBT HELP ■ 800debthelp.com

Helping you take control of your debt

Pitfalls of Refinancing Credit Card Debt into a Mortgage

- a. Unsecured debt is converted into secured debt decreasing equity and putting the home at risk if there are further defaults.
- b. Refinancing the debt can mask the reason that the debt was incurred in the first place. Spending habits still need to be reviewed.
- c. The penalty for paying late or missing a payment is more severe.
- d. Refinancing short term credit card debt into long term mortgage debt can actually cost thousands more in finance charges over the long term.
- e. Credit card balances start off at zero and the lines of credit are available. Out of control credit card debt could start again, if spending habits are not changed.
- f. Mortgage balance could exceed value of home, resulting in a higher interest rate and associated fees, as well as making your home unmarketable.