

Consolidate Your Debt

If you have high-interest debt, you might want to consider consolidating your debt into one affordable monthly payment. If you're a homeowner, getting a debt consolidation loan in the form of a home equity account or cash-out refinance is a smart way to manage your debt.

As with any financial decision, there are many factors to consider. Here are some ways you may benefit from a debt consolidation loan using your available equity.

Tax advantages and lower interest rates

If you're paying high interest rates on credit card balances, a competitively priced debt consolidation loan could save you a significant amount of money over time. Mortgage refinances and home equity loans and lines of credit:

- Typically have lower interest rates than unsecured loans and credit cards, meaning you can save on interest payments and potentially free up some of your cash to pay down more of the principal balance.
- Are tax-smart. You can potentially deduct 100% of the interest, unlike with non-equity products such as credit cards, personal loans, or auto loans. (Consult a tax advisor for more information.)

Better money management

A debt consolidation loan also offers the benefit of consolidating all your bills into one single monthly payment. Having just one monthly payment can help you:

- Effectively manage debt and enjoy the peace of mind of a consolidated monthly bill.
- Avoid accidentally missing a bill payment, thus saving on late fees.

How a debt consolidation loan works

Just let your lender know which debts you want to consolidate. The lender will pay your creditors on your behalf - you don't have to do a thing.

Staying the course

It's important to keep in mind that a debt consolidation loan simply transfers the old debt to a new lender, so you will still have debt. The key to success is discipline. If you're consolidating credit card bills, don't start using the card again, even if you've cleared your balances. You could be tempted to overspend, and this would defeat the whole purpose of consolidating.

NEA members and their families can learn more about debt consolidation by calling the **NEA Home Financing Program**® at **1-800-NEA-4-YOU** (1-800-632-4968) to speak to one of Wells Fargo Home Mortgage's experienced home mortgage consultants. Be sure to ask about the current member bonus offer. They are available from Monday through Friday, 8 a.m. to midnight, and Saturday, 9 a.m. to 5:30 p.m. (ET). If you prefer, stop by your local Wells Fargo branch and identify yourself as a member of NEA. Or visit us online at www.neamb.com/loans/hmfpgejsp.

Deaf/hard of hearing individuals may call 1-800-842-3548 TTY. Spanish speakers may call 1-800-632-4968.

Wells Fargo Home Mortgage is a division of Wells Fargo Bank, N.A ©2009 Wells Fargo Bank. All rights reserved.
Equal Housing Lender.

###