



## Here Are Your Options to Tackle Mounting Credit Card Debt

*National nonprofit credit counseling agency Take Charge America explains the available solutions for people to regain control of their finances*

**PHOENIX – (Oct. 13, 2022)** – As credit card use rises in the face of higher prices, Americans face mounting debt levels, leaving them searching for solutions to regain control of their finances.

“If our current economic climate finds you seeing your debt balances go up, there is hope in the form of several viable options to begin getting back on solid financial footing,” said Amy Maliga, a financial educator with Take Charge America, a [nonprofit credit counseling and debt management agency](#). “The challenging part is deciphering which option is the best for your unique situation.”

Maliga explains five options available to tackle mounting credit card debt:

- **Credit Counseling:** A free service provided by nonprofit agencies, credit counseling helps individuals discover available options for overcoming debt. Conducted either online or over the phone, you [receive a customized action plan](#) to guide you toward the best debt relief solution for your situation.
- **Debt Management:** A debt management plan is a relief solution available to eligible individuals who go through a credit counseling session. If you are eligible for a DMP, it can help you save time and money when repaying debt. Benefits include lower monthly payments, reduced interest rates, waived fees and an end to collection calls.
- **Debt Consolidation:** This is a process involving the combination of multiple debts into one new loan or line of credit with the aim of cutting down on the number of debts to pay and save on interest. You can consolidate most types of debt including credit card, student loans, auto loans and more.
- **Debt Settlement:** Offered by for-profit companies, this service allows individuals to pay back only a portion of their total debt. This process often involves forgoing payments so the for-profit agency can negotiate a settlement amount. This can negatively impact your credit score and you may need to pay taxes on any forgiven amounts.
- **Bankruptcy:** A last-resort option, bankruptcy is a legal process that can help you repay or discharge debts under the protection of the federal bankruptcy court. There are two main types of bankruptcy – Chapter 7, also known as liquidation, and Chapter 13, also known as reorganization. While bankruptcy can help you eliminate certain types of debts, including credit card debt, other debts cannot be discharged, such as student loans or spousal support. Bankruptcy severely impacts your credit and ability to open new credit cards or obtain new loans.

For additional resources to combat debt and improve finances, explore Take Charge America’s [Budget Tools](#).

### About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, student loan counseling, housing counseling and bankruptcy counseling. It has helped more than 2 million consumers nationwide manage their personal finances and debts. To learn more, visit [takechargeamerica.org](http://takechargeamerica.org) or call (888) 822-9193.



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