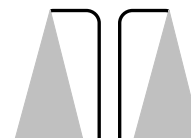


New Year Credit Card Debt Reduction Resolution



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- Mornington Peninsula Shire

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*Service to the
Community
since 1977*

A New Year brings with it many new resolutions, including much advertising aimed at New Year resolutions to reduce credit card debt. Peninsula Community Legal Centre is advising people to consider their situation carefully, before responding to such advertising.

Principal Lawyer, Victoria Mullings says, "There are many newspaper, television and radio advertisements which offer loans to people who are having trouble paying their debts. However, these loans may create a worse financial position, especially if your house is used as security for these loans. Often the loan is only for one or two years and you only pay the interest on the loan and therefore do not reduce the total amount of money you owe. If you have one of these loans, with your house as security, and you cannot repay the total amount when it was due, your house could be taken from you.

Ms. Mullings says credit card debt is a serious issue facing many households, "When used responsibly, a credit card can help you manage your finances, but unpaid bills can cost you dearly. It can take months to pay off something that only took a few minutes to buy and the pressure to meet repayments can lead people to place themselves in more debt through refinancing or consolidating without seeking appropriate independent financial advice."

"If you are in financial difficulty it is worth knowing that you will have fewer options available if you consolidate all of your debts into one large debt. Options such as surrendering your car, or negotiating with a credit card company are not available once you have one large loan. Talk through your options with an independent advisor or financial counsellor before making a decision."

"If you are finding it difficult to meet your credit repayments, it is important to take immediate action. Don't ignore the problem as it won't go away," Ms. Mullings said.

"You should contact your credit provider to discuss your repayment options and if you require legal advice, there are services such as Peninsula Community Legal Centre which can provide advice at no cost."

Peninsula Community Legal Centre is a not-for-profit organisation that has been providing free legal services to the community for over 30 years.





Peninsula Community
Legal Centre Inc

For more information about free legal services, contact Peninsula Community Legal Centre on 9783 3600 or visit www.pclc.org.au.

ENDS.

12 January 2011

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