Consolidate Your Debts

Almost everyone carries some degree of debt, whether it presents itself in the form of student loans, car payments or credit cards. The key is to manage that debt aggressively and minimize the sense of billing suffocation each month at statement time. Below are some strategies for effectively consolidating your debts and regulating your monthly cash flow as any prosperous enterprise must. Think of yourself as the CFO of ME Inc. and put these tips to good use.

Home equity

Strategically leveraging home equity to repay high debt can also be a prudent tactic. The reason is simple: A second loan collateralized by your home is typically available at an interest rate that isn't far off from that of a mortgage, which is typically much lower than that of credit-card companies and other creditors. Because many financial institutions fiercely compete for new business and existing market share, chances are that if you've maintained a reasonably good credit rating, your bank can offer you a home-equity loan that you can use to pay off various sources of debt.

Bank loans

If you don't own a home, try to leverage assets in liquid accounts -- such as your savings account -- into a favorable loan arrangement with the bank. These types of assets can sometimes be used as collateral, and the amount of money you can save in APR and repayment terms between this type of collateralized loan and an unsecured credit line is usually staggering.

Loans from friends and family

Borrowing from your personal network of friends and family -- if the opportunity is win-win for both parties -- can be a viable option as well. A loan agreement with a willing friend or relative is similar to a bank loan, only without the hassle of much of the red tape that is typically involved. The investor earns more interest than a bond or bank certificate of deposit would pay and you can benefit from the flexibility of arranging the terms of repayment, making this consolidation strategy attractive for both parties.