

Cut Your Debt Down to Size

Three simple steps can help get you started

Americans have been notorious for their ability to spend more than they earn. Fortunately, the first steps toward a debt-free life can be some of the easiest:

- Ask lenders if they can offer better terms on rates or minimum payments.
- On your credit-card debt, pay more than the monthly minimum requirement and focus on paying off high interest-rate cards first.
- If your mortgage payment is getting hard to afford, see if your lender is participating in "HOPE for Homeowners" (hud.gov.hopeforhomeowners/index.cfm), a government-run program that encourages lenders to refinance mortgages of borrowers who are at risk of losing their homes.

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