

Forum:[Hack Forums](#)

Thread: [What would you do when in debt?](#)

iykyk300 - January 2, 2024, 4:24 pm

What would you do when in debt?

Syndicate - January 2, 2024, 4:41 pm

What kind of debt are we talking about and how much roughly? If it's not a crazy amount, just keep on paying it off every pay check that you get. Even if it's like \$50 at a time. It's still something and it looks good on you.

Monero-chan - January 2, 2024, 5:18 pm

Give Monero-chan all your Monero and she will pay it off for you!

Lilith - January 2, 2024, 5:18 pm

Not pay it then file for bankruptcy

LEGENDAVIE - January 2, 2024, 5:25 pm

Depends how you go the debt.

Do you have an income and extended out of your reach buying things that put you above your income? Then it kinda sucks because you have no easy way of getting out, especially if you can't return the things you bought to get the money back, also as an honest opinion, you're an idiot for doing that and probably deserve the stress that came with it.

If you do not have an income, like a job, then there is one easy way to get out of debt. And that is by getting a job right way, and that means you have to expand your search areas, try something you've never done before, take anything that will take you away from your house and give you some income. That is just the first step, you might think that you'll never cover the debt even with that income well you're right, you might not, but that's not the point. Putting yourself in that position will be good for your mental health, and being in good mental health is the secret of success, then you can be more sociable, you don't spend 80% of your time worrying or being depressed, instead you spent that amount of time actually trying to figure out the final solution for your problem. And you will find it, because no matter what the problem, there is a fix, you just have to find it.

I will tell you not to do, and that is to not borrow more money to cover for older debts. It will put you in a downwards spiral that only ends when you have nowhere to borrow money from anymore, and let me tell you, that means no one wants to be around you, your friends your family they will all keep away. Then you deal with loneliness, depression, and you only go down.

Good luck

Hungry4Knowledge - January 3, 2024, 1:19 am

Call a free charity debt advisor and ask if you would qualify for IVA (individual voluntary agreement).

It means that your creditors agree to write off about 70% of your debt and the rest you pay in

monthly installments for 5 years.

Throughout that 5 years you won't be able to have credit cards, loans, mortgage or buy anything on finance.

But it's worth it. It's sort of a lite version of bankruptcy....

Riggs - January 3, 2024, 1:48 am

Sell my kidneys on the blockchain.

Baby - January 3, 2024, 1:56 am

Whatever I have to do to cover that debt, simple.

Eran - January 3, 2024, 2:24 am

Make more money and try to resolve the issue asap so I get that stress out of the way.

hayesh - January 3, 2024, 8:20 am

pay off enough of it periodically so the interest rate doesn't kill you

Jamika - January 3, 2024, 9:22 am

You have to reduce your spends at first, then you should gradually pay your cash even at low amounts

Azythum - January 3, 2024, 9:52 am

In France, when you're very much in debt, you can make cancel it by a judge.

Jam1e - January 3, 2024, 9:58 am

I'd figure out the bare minimum I needed to live on, the amount I could earn each week, and then use the remainder to pay off my debt as quickly as possible.

Disease - January 3, 2024, 10:38 am

(Jan 2, 2024 05:24 PM)iykyk300 Wrote: [\[CITE\]](#) What would you do when in debt?

Recognize immediately that not all debt is created equally. I think people tend to swing on extremes with debt- either completely being okay with debt of all kinds and just surviving, or hating debt of all kind and avoiding all of it at all costs. Neither extremes are healthy in my opinion.

Take for example an auto loan. Inherently that's bad debt- it's interest-bearing debt on a depreciating asset (so much so that it's hard to consider a vehicle anything but a liability). Current prime rates are absolutely abysmal, but prior to a year or so ago, you could buy secured auto loans for next to nothing in terms of interest. That can create situations where paying cash is actually more expensive than financing and paying interest, if you're smart with where you're putting your money.

Real world example- we bought a new Wrangler a couple years ago for a toy vehicle. In the end we financed \$25k of it, putting something like \$10k down to offset fees and ensure equity to negate any need for GAP. Through my credit union I financed that at 1.24% over 4 years. At worst, I'll pay about \$650 in interest. Now, on the flip side, my worse investment channel returns about 7%. Never mind the bulk of my investments way out performing that. That \$25k, at 7% over 4 years, earns me about \$7k in return without even compounding it. So right there alone it would cost me \$6400 over 4 years to pay cash rather than finance.

I'll pay \$650 in interest to leave my money earning \$7k over the same time period all day long, every day. Now, if it came down to that money living in a pathetic money market savings account vs. buying that vehicle in cash, then yes it'd make more sense to have paid for the vehicle in cash. Not by much, but by just enough.

Point to all of this being simple- not everything is black and white, and context / circumstances matter. This scenario in another person's circumstances, where they aren't actively investing their money, could play out to be bad, costly debt.

In general though, I'd always prioritize paying down bad debt over basically everything else.

dat boi - January 3, 2024, 10:45 am

To be honest with you, buddy.

I have been absolutely mollywhopped by my mortgage company and by miscellaneous horrible things.

You don't deal with it, you cope with it.

Disease - January 3, 2024, 10:55 am

(Jan 3, 2024 11:45 AM)dat boi Wrote: [\[CITE\]](#) To be honest with you, buddy.

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You don't deal with it, you cope with it.

See, this is a dangerous mindset to have. If you do not have the means to correct your situation then sure, there's going to be some coping. But there's almost always something more people can be doing to course correct a bad financial situation.

In your case you mention your mortgage company doing something that put you out. What exactly do you mean by that? I hear people talk about getting "screwed over" by their lenders all of the time. But 999 out of 1,000 times it's due to not understanding the terms of their contract, or bad performance in repayment and facing the consequences of that. It is so exceptionally rare to see lenders actually violating their contracts, yet you'd think it was a daily occurrence experienced by the majority of consumers if you listened to people gripe.

dat boi - January 3, 2024, 11:08 am

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A lot of the times, coping with it seems to be the best. Either you can moan and groan about being financially diddled(considering it is out of your control), or just learn to not stress over it. 9 times out of 10 it will get resolved; just not at the time you necessarily want.

What I mean by they screwed me over, is: For the last two years they aren't charging me for the correct amount on escrow. I almost always end up in a "shortage" because they are charging me for the whole land parcel, even though it is a SPLIT parcel. With homestead exemption, mind you that. So they charge me double the amount they should. Then at the end of the calendar year, they send me an analysis and a check and a letter saying "sorry". I have consulted with them numerous times about their wrongdoings, but they don't ever resolve it 100%.

rocko212 - January 5, 2024, 5:51 pm

Hope for the best and hit the casinos

Yanix - January 5, 2024, 9:08 pm

(Jan 5, 2024 06:51 PM)rocko212 Wrote: [\[CITE\]](#) Hope for the best and hit the casinos
Hope for the best but avoid the casinos instead look for much more and better opportunities to earn money. ?

illuminati? - January 5, 2024, 9:09 pm

(Jan 2, 2024 05:24 PM)iykyk300 Wrote: [\[CITE\]](#) What would you do when in debt?
Full send, obviously.

Realizm - January 5, 2024, 10:18 pm

It really depends, you haven't given us much information to go on. What type of debt is this? Credit Cards, Personal Loans, Car Loans, Student Debt, Mortgage, etc.

I don't know how much debt you have and how much income you have to judge on a debt to income ratio.

I will say that most debt is bad. Mortgages are typically seen as "good debt" but really any debt that is over ~4-6% is difficult to justify. If I were in debt again, I would pick up extra hours at work. Get a second or third job again. I would hustle as much as I could and pay it off as fast as I could and then take measures and make proper planning to never allow it to happen again like setting up an emergency fund.

diiaz - January 6, 2024, 1:33 am

(Jan 5, 2024 06:51 PM)rocko212 Wrote: [\[CITE\]](#) Hope for the best and hit the casinos
This is the only good advice here.

/thread

DashPHP - January 6, 2024, 1:38 am

I would just work on making money, and by getting away by paying the smallest amounts back per month.

This is me rn xd

kshi7 - January 10, 2024, 1:07 am

Like student loan debt or you were sued debt? Both have different answers. With student loans you pay monthly, otherwise you sell all your assets or the insurance makes up for it

Presto777 - January 24, 2024, 9:28 pm

Managing your funds is key but most important is staying true to the calculations and not spending more than what you calculated you could spend.

Charlie Sheen - January 26, 2024, 12:20 am

Depends on the amount of debt. I would work out what payment plans are available. Then I would take a look at my bills and my budget and cut whatever I didn't need. I'd look at cheaper options for things that I do need. Then try to live by that budget, and most importantly remember the hole that I dug myself into and make it a goal to not find myself in it again.

Deany - January 26, 2024, 12:20 am

I already am in debt and panic nonstop lol

ZombieTemp - January 26, 2024, 2:25 pm

There must be some money talks for teens especially mental health aspects also in curriculum

voltkey1 - January 26, 2024, 5:11 pm

i would have borrowed more lol

Popular - January 26, 2024, 5:13 pm

(Jan 3, 2024 03:24 AM)Eran Wrote: [\[CITE\]](#) Make more money and try to resolve the issue asap so I get that stress out of the way.

Yeah this is what I would say too..

Yanix - January 27, 2024, 3:07 am

(Jan 26, 2024 06:11 PM)voltkey1 Wrote: [\[CITE\]](#) i would have borrowed more lol

Borrow more and maybe put up a business or invest to earn more then eventually pay your debt afterwards ?

????0?? ??? - January 27, 2024, 3:36 am

Declare bankruptcy that's what I'm doing currently now that I am \$87,500 in medical debt. Welcome to America lol

Hackers - January 27, 2024, 9:53 am

If I was in crippling debt I guess I'd declare bankruptcy. haven't had to face debt even close to that though and have been debt free for a bit. I paid off my car, but other than that haven't taken any loans or over-leveraged myself or anything like that.

I guess I would figure out if I can recover or if I need to declare or not. Then from there I'd rebuild with same career I'm in now, or potentially go for a riskier startup to try to cash out and pay it off before interest accrues.

OhGetWacked - January 27, 2024, 4:12 pm

Debt is something you can learn to leverage. I suggest looking into it.

Roule - January 28, 2024, 3:40 pm

Start work and save money so you can pay your debts

Euaggelistes - January 28, 2024, 3:57 pm

You could possibly do some balance transfers if you've got fair credit. Transfer to 0% and pay off the highest interest rate on your debt. It requires you to be fastidious, but it can work.

Hackers - January 28, 2024, 5:18 pm

(Jan 28, 2024 04:57 PM)Euaggelistes Wrote: [\[CITE\]](#) You could possibly do some balance transfers if you've got fair credit. Transfer to 0% and pay off the highest interest rate on your debt. It requires you to be fastidious, but it can work.

Do you think people should risk taking on additional debt at a better or 0% interest rate in order to satisfy existing debt - what about to invest that new money and possibly risk losses?