



## Buried in Debt? Don't Panic, Do These 5 Things

### Description

A consequence of accumulating debt is that it could result in a severe credit crunch. If you're buried in debt, panic will only make things worse. It takes a lot of sacrifice and discipline before you can [be free of the financial woes](#), but the sooner you start, the better it will be.

### Take control

Never ignore or turn away from money issues, particularly debts. They are not the kind of problems that go away on their own. You must to honour your obligation and protect your credit standing. Otherwise, you risk losing access to credit forever.

Take control, revisit your budget, and form a new one. Incorporate a debt payment plan into your new budget and forego any unnecessary expenses that you can live without.

### Prepare a realistic budget

The goal is to ensure that you spend less than you earn. A budget should help you keep track of your cash inflow and outflow. The budget you will craft also needs to be realistic. Adjust your allocations so that you can follow them.

### Consolidate your debts

Debt consolidation is one option if you want to simplify your financial situation. By placing your debts in one basket, there is only one interest rate and only one amortization schedule.

However, you should be able to obtain a loan whose interest rate is lower than the debts for consolidation. It should be clear that once you consolidate your debts, you will not take out new loans.

## Retain only one card

The usual culprit behind overspending is a credit card, or three. Start cutting your credit cards and retain one for emergency purposes only. Be sure to make prompt payments to avoid finance charges and late penalty charges.

## Save for investment

Once you've tackled your debt, put the money you were paying down, plus the interest, into savings. The money that you can set aside is the [seed capital for investment](#). You can begin investing with small sums, so just like paying down debt, it's best to start as soon as possible.

A real estate investment trust (REIT) like **True North** ([TSX:TNT.UN](#)) is currently trading at \$7.14 per share but pays a 7.66% dividend. Owning 1,000 shares (\$7,140) of this REIT should earn you \$546.92. Debt costs you money, but an investment like this will earn you money.

True North is the owner and operator of 46 commercial properties. Among its high-profile tenants is the federal government of Canada and Alberta Health Services. This \$711.21 million REIT maintains a 97% occupancy rate because of its stringent tenant selection process.

The lessees in True North's rental properties located in urban and select strategic secondary markets across are mostly government and credit-rated corporate renters. Likewise, the lease agreements are long term (4.7 years average), which makes rental payments stable.

Prospecting is a regular activity, and True North is continuously growing because of more acquisitions. The REIT is about to firm up the purchase of three new commercial properties.

## Climb out of the hole

Resolving a financial mess takes courage. You must face the music and perform damage control. It will take time before you are finally free from debt, but then the rewards of investing can follow.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:TNT.UN (True North Commercial Real Estate Investment Trust)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred

4. Sharewise
5. Yahoo CA

**Category**

1. Dividend Stocks
2. Investing

**Date**

2025/07/04

**Date Created**

2020/03/05

**Author**

cliew

default watermark

default watermark