



Debt Pay Down Plan Instructions:

List each debt from the smallest total debt to the largest total debt. Fill in each blank showing the total amount due, the monthly minimum payment, and the interest rate.

Every month, you will pay only the minimums due on every debt except the first one on the list. The first debt on the list you will pay the minimum due plus any “extra” money you have. You can use our Monthly income worksheet to calculate your “extra” money.

When you completely pay off a debt, cross it off the list and give yourself a pat on the back for paying off a debt.

You will now work on paying off the next debt. On the next debt you will pay the minimum amount, plus the minimum amount that you were paying to the debts above it (that have now been paid off) on the list, plus any “extra” money you have.

This is commonly referred to as the Debt Snowball. Every time you pay off a debt, the snowball grows larger picking up speed and size to help pay off the next debt. This method of paying off debt is the best method used because it keeps showing progress and helps you stay on track. Other methods that use interest rates and tax burden calculations show little progress and cause most people to give up because they don't see the progress.

Post your Debt Pay Down Plan somewhere where you will constantly see it, like on your refrigerator. This will serve as a constant reminder of your goal to eliminate debt and a constant reminder of the debts you already crossed off the list.